

**Ventura County Medi-Cal Managed Care Commission (VCMCC)
dba Gold Coast Health Plan (GCHP)**

Executive/Finance Committee Meeting

Regular Meeting

**Thursday, June 24, 2021 – 3:00 p.m. Community
Room at Gold Coast Health Plan 711 E. Daily
Drive, Suite 106, Camarillo, CA 93010**

Executive Order N-25-20

Conference Call Number: 805-324-7279

Conference ID Number: 131 011 042#

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMCC) doing business as Gold Coast Health Plan (GCHP) on the agenda. Persons wishing to address VCMCC should complete and submit a Speaker Card.

Persons wishing to address VCMCC are limited to three (3) minutes unless the Chair of the Commission extends time for good cause shown. Comments regarding items not on the agenda must be within the subject matter jurisdiction of the Commission.

Members of the public may call in, using the numbers above, or can submit public comments to the Committee via email by sending an email to ask@goldchp.org. If members of the public want to speak on a particular agenda item, please identify the agenda item number. Public comments submitted by email should be under 300 words.

FORMAL ACTION

1. Moss Adams GCHP Audit Entrance

Staff: Kashina Bishop, Chief Financial Officer

Moss Adams Representatives: Stelian Damu & Kimberly Sokoloff

RECOMMENDATION: The Plan requests that the Executive Finance Committee receive and file the information provided by Moss Adams.

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

3. REPORTS INVOLVING TRADE SECRETS

Discussion will concern: New Services and Programs

Estimated Date of Public Disclosure: Fall, 2021

CONSENT

4. Approval of Executive Finance Committee Meeting Minutes for April 21, 2021

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the minutes.

UPDATES

5. HSP Medi-Trac Update

Staff: Eileen Moscaritolo, HMA Consultant

RECOMMENDATION: Receive and file the update.

FORMAL ACTION

6. April/May 2021 Fiscal Year to Date Financials

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Executive Finance Committee recommend that the Commission approve the April/May 2021 financial package.

7. Fiscal Year 2021-2022 Operating and Capital Budget

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: The Plan requests that the Executive Finance Committee recommend approval of the Fiscal Year 2021-2022 Operating and Capital budgets, and corresponding contract renewals outlined in the appendix to the Commission.

CLOSED SESSION

8. PUBLIC EMPLOYEE APPOINTMENT

Title: Chief Operations Officer

9. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer

ADJOURNMENT

Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California, during normal business hours and on <http://goldcoasthealthplan.org>. Materials related to an agenda item submitted to the Committee after distribution of the agenda packet are available for public review during normal business hours at the office of the Clerk of the Board.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by the Tuesday prior to the meeting by 3 p.m. will enable the Clerk of the Board to make reasonable arrangements for accessibility to this meeting.



AGENDA ITEM NO. 1

TO: Executive Finance Committee
FROM: Kashina Bishop, Chief Financial Officer
DATE: June 24, 2021
SUBJECT: Gold Coast Audit Entrance Meeting

**PowerPoint with
Verbal Presentation**

ATTACHMENTS:

Moss Adams GCHP Audit Entrance



Audit Entrance – Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan

Prepared by the Moss Adams Health Care Group

June 24, 2021

Audit Committee

Gold Coast Health Plan

Thank you for your continued engagement of Moss Adams LLP, the provider of choice for health care organizations. We are pleased to present our audit plan for Gold Coast Health Plan for the year ended June 30, 2021. We would also like to discuss current-year developments and accounting standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan, and we look forward to working with you.

Agenda

1. Your Dedicated Team
2. Communications with Management, the Audit Committee, and Commissioners
3. Accounting Update
4. About Moss Adams



Your Dedicated Team



Stelian Damu
Engagement Partner



Stacy Stelzriede
Quality Control Reviewer

Other Team Members:

Madison Houseworth-Skaggs
Audit Senior

Maria Potts
Audit Staff



Kimberly Sokoloff
Senior Manager, Audit



Alina Bielewicz
Manager Audit







Communications with Management, the Audit Committee, and Commissioners



Required Communications with Management, the Audit Committee, and Commissioners



Our Responsibility

	<p>To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.</p>		<p>To perform an audit in accordance with generally accepted auditing standards issued by the AICPA, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.</p>		<p>To consider internal control over financial reporting as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.</p>		<p>To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.</p>
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Audit Process



Internal Controls

- Review of information systems and technology



Analytical Procedures

- Revenues and expenses
- Trends, comparisons, and expectations



Substantive Procedures

- Confirmation of account balances
- Vouching to supporting documentation
- Representations from attorneys and management
- Examining objective evidence

What is Materiality?

The amount of a misstatement that could influence the economic decisions of users, taken on the basis of the financial statements.





How it is calculated:

- Using certain quantitative (e.g., total assets) and qualitative factors (e.g., covenants, expectations, or industry factors)

It is used to identify:

- Significant risk areas
- Nature, timing, extent, and scope of test work
- Findings or misstatements

Significant Audit Areas

	Internal controls over financial reporting
	Valuation of investments and related financial statement disclosures
	Capitation revenue and receivables
	Medical claims liability (including claims system implementation), capitation payable and payable to State of California
	Nonroutine transactions

Risk Discussion

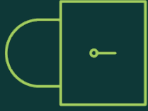
What are your views regarding:

- Entity's objectives, strategies, and business risks that may result in material misstatements?
- Significant communications with regulators?
- Attitudes, awareness, and actions concerning:
 - Entity's internal control and importance
 - How those charged with governance oversee the effectiveness of internal control
 - Detection or the possibility of fraud
 - Other matters relevant to the audit

Do you have any areas of concern?



Consideration of Fraud



Auditors must consider fraud to “improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit.”

How we gather information to identify fraud-related risks of material misstatement:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Procedures to be performed:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate the business rationale for significant unusual transactions

Deliverables

We will issue the following reports:

- Audit report on the financial statements of Ventura County Medi-Cal Managed Care Commission as of and for the year ended June 30, 2021
- Report with Management, the Audit Committee, and Commissioners
 - Communicating required matters and other matters of interest
- Report to management and those charged with governance
 - Communicating required internal control related matters identified during the audit

Nonattest services:

- Assist in drafting of the financial statements of Gold Coast Health Plan



Expectations

Client will:

- ✓ Have no significant adjusting journal entries after beginning of fieldwork
- ✓ Close books and records before beginning of fieldwork
- ✓ Provide auditor requested information in Client Audit Preparation (CAP) schedule one week prior to the beginning of fieldwork



Moss Adams will:

- ✓ Communicate proposed adjustments with management when identified, if any
- ✓ Communicate control deficiencies with management when identified, if any
- ✓ Discuss any additional fees over estimate in engagement letter with management, as applicable

Timeline - 2021

May	<ul style="list-style-type: none">• Planning meeting with management
June	<ul style="list-style-type: none">• Entrance meeting with executive finance committee
June 21-25	<ul style="list-style-type: none">• Interim audit procedures (including test of implementation of internal controls) for financial statements
August 16-September 3	<ul style="list-style-type: none">• Final fieldwork procedures for financial statements
September	<ul style="list-style-type: none">• Discuss draft financial statements and auditor's reports with management
October	<ul style="list-style-type: none">• Commission approval of financial statements and exit meeting
By October 30	<ul style="list-style-type: none">• Finalize auditor's reports



Accounting Update



New Standards

GASB 84

Fiduciary Activities

Clarifies fiduciary activities as having the following characteristics:

1. Government controls the assets of the activity.
2. Those assets are not derived solely from the government's own source revenue.
3. One of the following:
 - The assets result from a pass-through grant or trust agreement.
 - Assets are used to benefit individuals not typical recipients of the government's goods and services (i.e. employees receive the benefit instead of patients.)
 - Assets are to be used to benefit other organizations or governments.
- Would require stand alone business-type entities (i.e. hospitals) with pension and OPEB trusts or patient custodial accounts to report separate fiduciary fund financial statements within the financial statements.
- Effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

New Standards

GASB **87**

Leases

- Would treat all leases as financings (no classification of capital v. operating) similar to FASB ASU 2016-02.
- Includes non-cancellable period + periods covered by options to renew if reasonably certain to be exercised.
- Lessee would record an intangible asset (amortized over the shorter of its useful life or lease term) and present value of future lease payments as a liability.
- Lessor would record a lease receivable and deferred inflow of resources for cash received up front + future payments (revenue recognized over lease term in a systematic and rational basis).
- Effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

New Standards

GASB **96**

Subscription-Based Information Technology Arrangements

- Provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users
 - Defines a SBITA as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction
 - Establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability
 - Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
 - Requires note disclosures regarding a SBITA
- Based on the standards established in Statement No. 87, *Leases*
- Effective for fiscal years beginning after June 15, 2022.

New Standards

GASB **97**

Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

- Provides updated guidance and clarification on Statement No. 84, *Fiduciary Activities*
- Requires that a Section 457 plan be classified as either a pension plan or other employee benefit plan and clarifies that Statement No. 84 should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.
- Certain requirements in this standard are effective immediately.
- The requirements related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

On the Horizon – Exposure Drafts and Preliminary Views

- **Financial Reporting Model Improvements** – Proposes defining “operating” vs. “non-operating” activities; proposes requiring combining financial statements as supplementary information for blended component units; proposes classification of government-wide expenses by function or program.
- **Revenue and Expense Recognition** – Better differentiates exchange from non-exchange transactions; proposes a uniform revenue recognition standard with 3 models to be evaluated.
- **Disclosure Framework** – Proposes a framework for the development and evaluation of notes to financial statements for the purpose of improving the effectiveness of note disclosures.
- **Compensated Absences** – Addresses certain types of accrued leave benefits not covered in Statement No. 16, measurement options for sick leave, and usefulness of required notes to financial statements for decision-making and assessing accountability.
- **Prior-Period Adjustments, Accounting Changes, and Error Corrections** – Examines existing standards to address issues related to inconsistency in practice, confusion about and difficulty in applying requirements, and usefulness of related disclosures.
- **Risks and Uncertainties Disclosures** – Identifies potential risks and uncertainties in the state and local government environment and develops disclosure requirements for these.
- **Renaming the Comprehensive Annual Financial Report** – Considers whether a new name for the comprehensive annual financial report should be established.



About Moss Adams

Our Expertise

DEEP

108
years in
business

3,400+
professionals

30+
industries
served

*Crater Lake—
A monument to perseverance, North America's
deepest lake filled to 1,949 feet over 750 years.*

Our Reach

WIDE

25+
locations
west of the
Mississippi

110+
countries served
through Praxity, AISBL

\$820M
in revenue
earned

Grand Canyon—

*At 277 miles long and up to 18 miles
wide, this icon serves as a testament
to determination and time.*

Health Care Industry Experience

Our health care professionals dedicate their careers to serving the industry.

We cover the full spectrum of health care including:

- Hospitals and health systems
- Independent practice associations
- Medical groups
- Community health centers
- Behavioral health organizations
- Long-term care
- Surgery centers
- Knox Keene licensed health plans
- Health care ancillary services



Crater Lake—
A monument to perseverance, North
America's deepest lake filled to 1,949 feet over
720 years.

HEALTH CARE CONSULTING & ADDITIONAL EXPERTISE

PROVIDER REIMBURSEMENT	GOVERNMENT COMPLIANCE	OPERATIONAL IMPROVEMENT
Medicare & Medicaid	Regulatory Compliance	Revenue Cycle Enhancement
Provider-based Licensure & Certification	Coding Validation	Claims Recovery
Medical Education	Coding Department Redesign	Litigation Support
Uncompensated Care	EHR Internal Controls	Employer Health Benefits
Medicare DSH Analysis & Appeals	Corporate Compliance	Financial Turnaround
Worksheet S-10	LEAN TRANSFORMATION	Performance Excellence
STRATEGY & INTEGRATION	3P & Innovation: redesign processes, products, facilities	INFORMATION TECHNOLOGY
Provider Risk Analysis, Contracting & Operational Design	Lean Management Systems and Strategy Deployment	HIPAA Security and Privacy
M&A Support	Lean operations	Network Security & Penetration Testing
Feasibility Studies	Quality & patient safety	HITRUST Assessment & Certification
Market Intelligence & Benchmarking	PRIVATE EQUITY	SOC Pre-Audit Gap Analysis & Readiness
Service Line Enhancement	Investment Evaluation & Transactions	SOC Audits
Strategic Planning & Implementation	Advising Portfolio Companies	
	Selling Portfolio Companies	

Additional Services

Audit and tax are vital. But you have complex needs that go beyond these core functions. Our dedicated health care consulting team provides a range of services to address all your needs—both now and in the future.



Operational Improvement for Risk-Bearing Organizations

Health plans, managed care organizations, and third-party administrators (TPAs) face increasing pressure to respond to stakeholder and client requests for fast, efficient, and cost-effective service to subscribers or members. Taking into account the complexities of the benefits themselves and the variety or number of client plans being administered, you need a clear understanding of where opportunities exist for enhancing your organization or improving profitability.

Moss Adams has provided operational improvement consulting services for numerous health insurers, from multimillion-member national health plans to small regional Medi-Cal and Medicaid insurers. We offer expertise in five key areas:

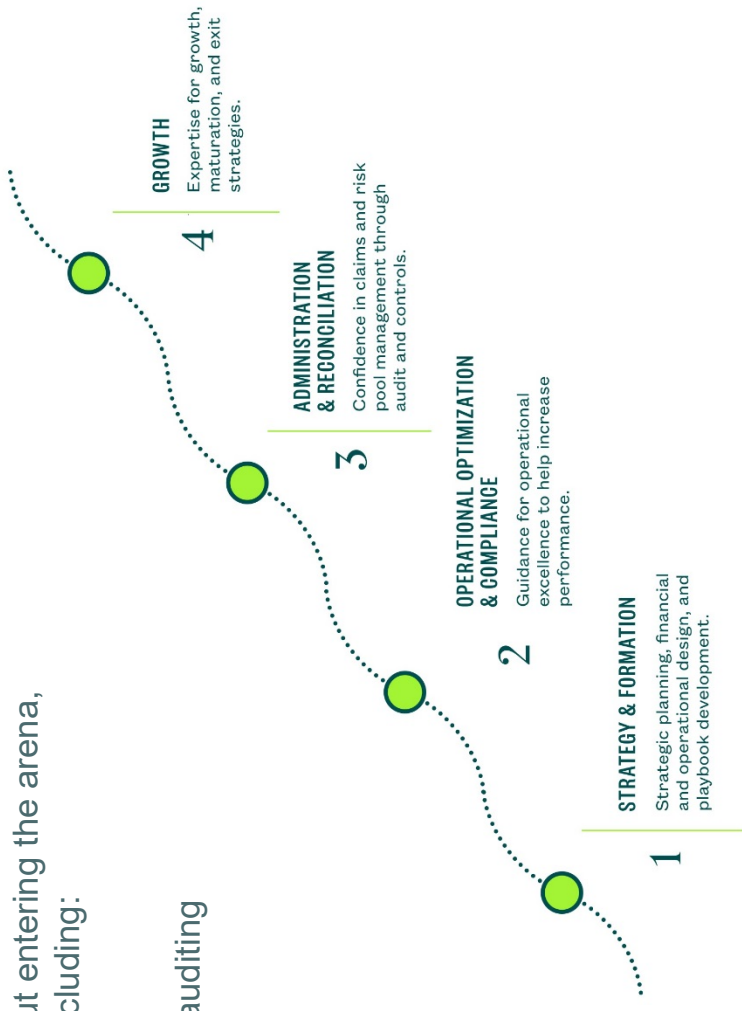
- Operational assessments and process improvement
- Revenue cycle
- Claims auditing, recovery, and revenue assessment
- Litigation support
- Employer health benefits



Managed Care Solutions

Whether you are part of a risk-sharing model or thinking about entering the arena, we have services to help your organization at every stage, including:

- Risk pool performance assessment, administration, and auditing
- Claims audit and recovery
- Diagnostic assessment
- Capitation reconciliation and eligibility and membership administration
- Best-in-class analysis and reporting strategies to monitor and improve results
- Managed care system configuration and maintenance
- Clinical improvement target assessment and strategy deployment
- Physician alignment, recruitment, and compensation strategy
- Operational effectiveness and clinical integration network enhancement



Insights and Resources

We'll keep you informed to help you stay abreast of critical industry issues.

Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

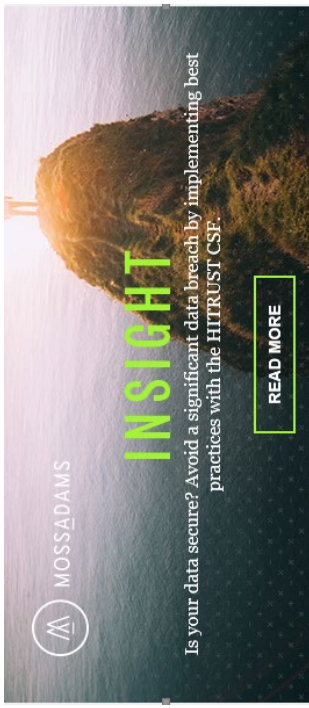
We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your schedule.



ALERT

California State taxes will be administered and adjudicated differently beginning July 1

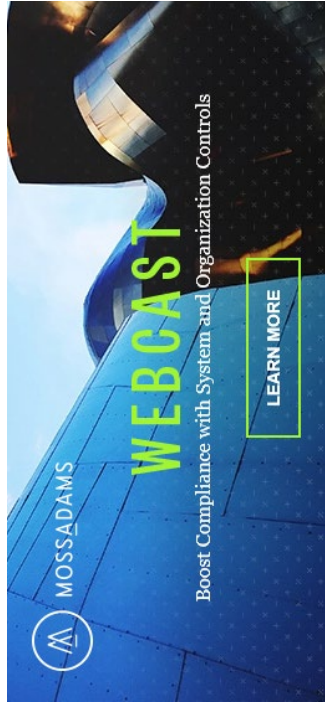
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INSIGHT

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WEBCAST

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**THANK
YOU**



AGENDA ITEM NO. 4

TO: Executive Finance Committee
FROM: Maddie Gutierrez, MMC -Clerk of the Board
DATE: June 24, 2021
SUBJECT: Executive Finance Committee Regular Meeting Minutes of April 21, 2021.

RECOMMENDATION:

Approve the minutes.

ATTACHMENTS:

Copy of the Executive Finance Committee Regular Meeting Minutes for April 21, 2021.

**Ventura County Medi-Cal Managed Care Commission (VCMCC)
Executive/Finance Committee
Regular Meeting via Teleconference**

April 21, 2021

CALL TO ORDER

Committee Chair Dee Pupa called the meeting to order at 3:02 p.m. via phone conference call. The Clerks were in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

The following GCHP staff was on the conference call:

- Margaret Tatar, Chief Executive Officer
- Dr. Nancy Wharfield, Chief Medical Officer
- Robert Franco, Chief Compliance Officer
- Kashina Bishop, Chief Financial Officer
- Ted Bagley, Chief Diversity Officer
- Marlen Torres, Executive Director of Strategies & External Affairs
- Michael Murguia, Executive Director, Human Resources
- Eileen Moscaritolo, HMA Consultant
- Anna Sproule, Senior Director of Operations
- Bob Bushey, Procurement Officer
- Jamie Louwerens, Director of Finance
- Helen Miller, Senior Director, IT
- Vicki Wrighster, Director Network Operations
- Carolyn Harris, Manager, Procurement Operations and Sourcing
- Pauline Preciado, Senior Director of Population Health & Equity
- Susana Enriquez, Public Relations Manager
- Debbie Rieger, ETP Consultant
- Paula Cabral, Executive Assistant
- Scott Campbell, BBK
- Cathy Salenko, BBK
- Rich Egger, BBK

Also attending the meeting were Conduent representatives: Dave Bryan, Pat Costa, Susan Shirley, Susan Miekle, Lisa Hopper, Kadeem Rajendra and Conduent Counsel, Michael Calabrese.

ROLL CALL

Present: Committee members Dee Pupa, Antonio Alatorre, Shawn Atin and Andrew Lane.

Absent: Committee member Jennifer Swenson.

PUBLIC COMMENT

None.

CONSENT

- 1. Approval of Executive Finance Committee Meeting Minutes of February 4, 2021 and corrected minutes of Special Executive Finance Committee meeting of December 10, 2020.**

Staff: Deborah Munday, Assistant Clerk to the Commission

RECOMMENDATION: Approve the minutes.

Committee Chair Dee Pupa motioned to approve the minutes. Committee Member Shawn Atin seconded.

AYES: Committee members Antonio Alatorre, Shawn Atin, Andrew Lane, and Dee Pupa.

NOES: None.

ABSENT: Committee Member Jennifer Swenson

Committee Chair Pupa declared the motion carried.

UPDATES

- 2. Cal-AIM: General Overview
Upcoming Enhanced Care Management (ECM) In Lieu of Services (ILOS)
Requirements and Implementation**

Staff: Marlen Torres, Executive Director of Strategy & External Affairs
Pauline Preciado, Senior Director of Population Health & Equity

RECOMMENDATION: Receive and file the update.

Executive Director of Strategy & External Affairs, Marlen Torres, reviewed initiatives and the previous approach to the CalAIM program. The CalAIM was placed on hold and was re-introduced in January 2021. Whole Person Care (WPC) was renewed and stakeholder communication is once again initiated with 1) an internal workgroup, 2) the Commission will get updates on ECM/ILOS at the commission meetings, 3) VC Leadership meetings will reconvene in April/May of 2021 and 4) DHCS will provide the ECM/ILOS Model of Care by July 1, 2021.

Ms. Torres reviewed the CalAIM implementation timeline which included start and completion dates for DHCS released documents, planning and implementation. She reviewed the definition of ECM/ILOS, as well as the “how and when” DHCS anticipates the phased in approach and implementation.

A Whole Person Care (WPC) Model was developed by the Ventura County Health Care Agency, which includes the types of care management with seven (7) target populations of Enhanced Care Management (ECM). DHCS has a list of thirteen (13) proposed ILOS with a description and benefit listed for each.

Pauline Preciado, Senior Director of Population Health & Equity, reviewed the Enhanced Care Management model of care, which has a person-centered approach was reviewed, along with the ECM phases.

Ms. Preciado reviewed the GCHP current state in Ventura County and the implementation plan, which has a Go-Live date of January 1, 2022. The division of responsibilities which included the function, GCHP and ECM providers was reviewed. The ECM work-flow model was reviewed with roll-out dates.

Project milestone anticipated dates were reviewed which included development of Governance structure, contract rates, MOC templates, provider capacity & contracts to DHCS, ECM readiness audit, Phase 1 Go-Live, Phase 2 Go-Live, and Phase 3 Go-Live dates.

The proposed governance structure is one of open communication and transparency. Commissioner Pupa asked if DHCS anticipates or provides enrollment targets. Ms. Preciado stated DHCS released enrollment criteria with main expansion being targeted populations from DHCS. Ms. Torres stated all our GCHP members qualify for ECM.

Committee member Antonio Alatorre motioned to approve the Cal-AIM/ECM/ILOS Update. Committee Chair, Dee Pupa seconded.

AYES: Committee members Antonio Alatorre, Shawn Atin, Andrew Lane, and Dee Pupa.

NOES: None.

ABSENT: Committee Member Jennifer Swenson

Committee Chair Pupa declared the motion carried.

3. Conduent, GCHP Management Services Organization (MSO), regarding HSP Conversion.

Staff: Anna Sproule, Senior Director of Operations

Conduent Guest Speakers: Lisa Hopper, GM Commercial Payer and Dave Bryan, VP of Health Care Operations

Anna Sproule, Senior Director of Operations, introduced Conduent guest speakers. Mr. Dave Bryan stated Conduent is committed to GCHP and the scheduled Go-Live date is May 1, 2021. Commissioner Atin stated there has been a significant amount of money invested and the work has not gone well between Conduent and GCHP. The implementation has not gone as scheduled. He asked what the challenges were and what is the guarantee for success. Commissioner Alatorre stated there have been several delays over years and it appears to not be a priority for Conduent. Mr. Bryan responded that he had joined Conduent in January and has observed that the original contract was executed by former employees and Conduent has been clarifying gray areas. They are currently looking at gaps through current filters. Commissioner Pupa stated there is constant turnover at Conduent and there is no consistency in support from them. Conduent representative, Susan Mickle, stated the project managers have been constant on the project. Pat Costa stated the project has been a challenge, Mr. Bryan was brought on to take over and fix issues from the past. They are trying to get the project finished. Commissioner Atin asked if everything will be complete by May. Mr. Bryan responded yes, there are a lot of moving parts, and they need to be prepared for all-outs. Commissioner Atin stated he expects to see resources brought in, as it has not gone well so far. Mr. Bryan stated Conduent is committed and will be successful for the Go-Live.

Commissioner Pupa asked if there will be minimal provider disruption. Providers are important to our business. There cannot be provider disruption for payments. Mr. Bryan stated the Conduent team is focused on cash flow and they are staffed to ensure claims are processed in a timely and accurate manner. Commissioner Alatorre asked why it has taken so long, he is not sure the Go-Live is ready. Susan Mickle explained to reasons for differences that caused delays.

GCHP General Counsel, Scott Campbell, cautioned that because there is an existing dispute between the parties, it is best not to have discussions on the disputed items in the public . .

Commissioner Alatorre asked if the customer support center is outsourced. Mr. Bryan stated the command center is staffed by Conduent. Commissioner Alatorre asked how often does Conduent report to GCHP. He asked if it was daily, weekly, or monthly.

Mr. Bryan stated GCHP can access information 24/7, meetings are planned for every day for the first week. Commissioner Pupa asked if the call center will also handle providers log-in information, which is very different from traditional system. Mr. Bryan stated staff has been added to the Call Center and Claims inventory. Staff has been trained on their role. Commissioner Pupa noted GCHP is paying \$18,000 per month to support the call center. Susan Shirley stated Conduent is working collaboratively with GCHP. Providers will contact the call center and be given an access code. Commissioner Pupa stated she needs assurance that there will be no disruption to providers, this is a different type of log-on. Mr. Bryan stated Conduent security is tighter than in the past. Webinars are offered to providers. GCHP provided and sponsored webinars. Mr. Bryan stated Conduent has developed FAQ's and agents have been trained on these frequently asked questions. Conduent anticipates a successful transition and Go-Live.

Commissioner Pupa asked if issues will be prioritized based on impact. We need assurance during the initial Go-Live that there will be daily communication with GCHP. Commissioner Pupa stated the issues must be addressed in real time, not wait 24 hours. Commissioner Atin asked what happens if this goes sideways, he asked if there is a contingency plan and how will success be gaged. Mr. Bryan stated dashboards for measure will review trends of old versus new. He stated the plan is well grounded.

Commissioner Alatorre stated he had questions for GCHP staff; he wants to know if we are ready to Go-Live. Eileen Moscaritolo, HMA consultant, stated not all testing has been seen yet, therefore it is hard to say if it is adequate. Commissioner Alatorre asked when will results be shared. Ms. Moscaritolo stated testing has been scheduled for May 15, and will continue, there is still testing now, it is not the usual way to do this. Mr. Bryan stated the information provided will be given on April 22 and April 23. There are refinements due to big implementation. Commissioner Pupa stated she has done many migrations and two items we are not receiving are of highest priority; she is concerned about getting information and going live next week.

Nancy Wharfield, M.D., Chief Medical Officer, stated we need information going back and forth to be accurate. We anticipate double work. If unable to do that, it becomes an abrasion for the provider. We need to track too. Commissioner Alatorre stated the manual workarounds are a concern. Commissioner Alatorre stated he does not believe we are ready to go-live. Kashina Bishop, Chief Financial Officer, stated the increase is over 20% and there is a concern from regulatory perspective. Susan Mickle stated 68% auto-adjudicated rate, the last 70% is auto-rate. Numbers will go up once manual workarounds are removed and will work through the rest of the pends. Ms. Moscaritolo stated the metric is expected to be monitored closely.

Eileen Moscaritolo, HMA consultant, moved the meeting along to begin her review of the HSP Medi-Trac update.

4. HSP Medi-Trac Update

Staff: Eileen Moscaritolo, HMA Consultant

RECOMMENDATION: Receive and file the update.

HMA Consultant, Eileen Moscaritolo, reviewed her PowerPoint presentation. She stated GCHP has very straight forward arrangements. We have provided custom webinars on our website. We have relaunched the webinars to review the provider experience. We have a very tight relationship with our providers. Portal access and payment are the big concerns.

Conduent Counsel, Michael Calabrese, stated there is ongoing discussion for the Conduent amendment. The parties are committed to finding workable solutions. Commissioner Alatorre asked if the \$18,000 per month is a change order. Ms. Moscaritolo stated there will not be enough resources from Conduent. Conduent agreed to staff up and she does not understand why some resources are funded, and not others. Commissioner Alatorre stated it seems that GCHP is doing most of the work. Commissioner Alatorre asked if we would be ready to go-live on May 3. Ms. Moscaritolo stated we agreed to go-live We are agreeing to go-live because we won't know what needs to be worked on until then. She does not believe another month will help. CEO, Margaret Tatar, stated GCHP has stepped up and wants to reduce strain on providers. We need to go live. Ms. Moscaritolo stated there are multiple projects going on. Commissioner Alatorre stated he is concerned that if we go-live there might be major problems. CEO Tatar stated Conduent is committed to real time, addressing issues, reliant to go through and react immediately and collaborate on issues at GCHP level. Mr. Bryan stated he agrees with CEO Tatar, if a fix is required, we need to test first, then fix. The Conduent team will research and recommend corrective action.

Ms. Moscaritolo stated our part of the command center will be payments and may cause abrasion, part of this is going to be working with providers.

Commissioner Chair, Dee Pupa requested a motion for the previously presented Agenda Item No. 3.

Committee member Shawn Atin motioned to approve the Conduent, GCHP MSO regarding HSP Conversion Update. Committee member Andrew Lane seconded.

AYES: Committee members Antonio Alatorre, Shawn Atin, Andrew Lane, and Dee Pupa.

NOES: None.

ABSENT: Committee Member Jennifer Swenson

Committee Chair Pupa declared the motion carried.

Committee Member Antonio Alatorre motioned to approve the HSP Medi-Trac Update. Committee Chair Dee Pupa seconded.

AYES: Committee members Antonio Alatorre, Shawn Atin, Andrew Lane, and Dee Pupa.

NOES: None.

ABSENT: Committee Member Jennifer Swenson

Committee Chair Pupa declared the motion carried.

FORMAL ACTION

5. Investment Policy

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Executive Finance Committee recommend that the Commission approve the Investment Policy for a one-year period.

Chief Financial Officer, Kashina Bishop, stated the last time the investment policy was reviewed and approved by the Commission was in 2015. This policy should be reviewed and approved on an annual basis. This item has now been added to a tracking calendar, created by Maddie Gutierrez, Clerk to the Commission, and the annual requirement will be presented to ensure future compliance.

The primary investment objectives are as follows:

1. Safety of Principal
2. Liquidity
3. Total Return

CFO Bishop reviewed the policy with the committee. Commissioner Alatorre asked if this policy will be presented to the full Commission. CFO Bishop replied yes.

Committee Member Shawn Atin motioned to approve the Investment Policy. Committee Chair Pupa seconded.

AYES: Committee members Antonio Alatorre, Shawn Atin, Andrew Lane, and Dee Pupa.

NOES: None.

ABSENT: Committee member Jennifer Swenson.

Committee Chair Pupa declared the motion carried.

6. March 2021 Fiscal Year to Date Financials

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Executive Finance Committee recommend that the Commission approve the March 2021 financial package.

Chief Financial Officer, Kashina Bishop reviewed the March 2021 financials. GCHP has a net gain of \$6.6 million. Fiscal year to date net gain is \$10.2 million. The TNE is \$87.5 million and 246% of the minimum required. The medical loss ratio is 93.1% and the administrative ratio is 5.4%.

In August of 2020 our TNE was 192%, in February of 2021, the TNE increased to 227% and currently the TNE in March of 2021 is 246%. The target TNE is 400-500% of the required.

CFO Bishop gave a brief update on the Solvency Action Plan (SAP). She reviewed the cost of healthcare, internal control improvements and contracting strategies. Our current total annual savings is \$17.4 – 20.4 million.

CFO Bishop reviewed membership trends, medical expenses, Incurred But Not Paid (IBNP) medical expense reserve. Our Inpatient medical expenses are under budget by \$5.4 million (4%). Long term care expenses are over budget by \$3.7 million (4%), outpatient expenses are under budget by \$5.2 million (11%), Emergency Room expenses are also under budget by \$7.5 million (30%) and mental & behavioral health is over budget by \$3.6 million (19%).

Committee Member Antonio Alatorre motioned to approve the March 2021 financial package. Committee Chair Dee Pupa seconded.

AYES: Committee members Antonio Alatorre, Shawn Atin, Andrew Land and Dee Pupa.

NOES: None.

ABSENT: Committee member Jennifer Swenson.

Committee Chair Pupa declared the motion carried.

The Committee moved to closed session at 5:50 p.m.

CLOSED SESSION

7. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:
One case.

8. PUBLIC EMPLOYEE APPOINTMENT

Titles: Chief Operations Officer
Medical Director

General Counsel, Scott Campbell stated there was no reportable action.

ADJOURNMENT

The meeting was adjourned at 7:03 p.m.

Approved:

Maddie Gutierrez, MMC
Clerk to the Commission



AGENDA ITEM NO. 5

TO: Executive Finance Committee
FROM: Eileen Moscaritolo, HMA Consultant
DATE: June 24, 2021
SUBJECT: HSP / MediTrac Go-Live Update

VERBAL PRESENTATION



AGENDA ITEM NO. 6

TO: Executive Finance Committee
FROM: Kashina Bishop, Chief Financial Officer
DATE: June 24, 2021
SUBJECT: April/ May 2021 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the April/May 2021 fiscal year-to-date (“FYTD”) financial statements of Gold Coast Health Plan (“GCHP”) for review and approval.

RECOMMENDATION:

Staff requests that the Executive Finance Committee recommend that the Commission approve the April/May 2021 financial package.

CONCURRENCE:

N/A



AGENDA ITEM NO. 7

TO: Executive Finance Committee
FROM: Kashina Bishop, Chief Financial Officer
DATE: June 24, 2021
SUBJECT: FY 2021-22 Operating and Capital Budgets

SUMMARY:

Staff is presenting the FY 2021-22 Operating and Capital Budgets of Gold Coast Health Plan (“Plan”) for the Executive/Finance Committee to accept, file.

RECOMMENDATION:

The Plan requests that the Executive Finance Committee recommend approval of the Fiscal Year 2021-2022 Operating and Capital budgets, and corresponding contract renewals outlined in the appendix to the Commission.

ATTACHMENTS:

FY 2021-22 Operating and Capital Budgets



Integrity

Accountability

Collaboration

Trust

Respect

Gold Coast Health Plan

FY 2021-2022 Operating and Capital Budgets

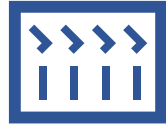
Budget Highlights

FYTD NET GAIN

\$ 16.6 M



TNE is \$114.5M & 314% of
min. required at 6/30/22



MEDICAL LOSS RATIO

91.7%



ADMINISTRATIVE RATIO

6.5%



FY 2021-22 Operating Budget

GOLD COAST HEALTH PLAN			
FY 2021-22 OPERATING BUDGET			
	Jul 1- Dec 31 2021	Jan 1- Jun 30 2022*	TOTAL
Program Revenue	\$ 567,622,662	\$ 472,074,012	\$ 1,039,696,673
MCO Tax Expense	\$ (43,131,600)	\$ (43,131,600)	\$ (86,263,200)
Net Revenue	\$ 524,491,062	\$ 428,942,412	\$ 953,433,473
Medical Expenses	\$ 486,370,870	\$ 388,367,621	\$ 874,738,491
	MLR 92.7%	90.5%	91.7%
Gross Margin	\$ 38,120,191	\$ 40,574,791	\$ 78,694,982
General & Administrative Expenses	\$ 29,194,175	\$ 26,895,911	\$ 56,090,086
Project Portfolio	\$ 4,254,146	\$ 2,077,496	\$ 6,331,642
	Admin % 6.4%	6.8%	6.5%
Interest Income	\$ 180,000	\$ 180,000	\$ 360,000
Net Gain	\$ 4,851,870	\$ 11,781,385	\$ 16,633,255

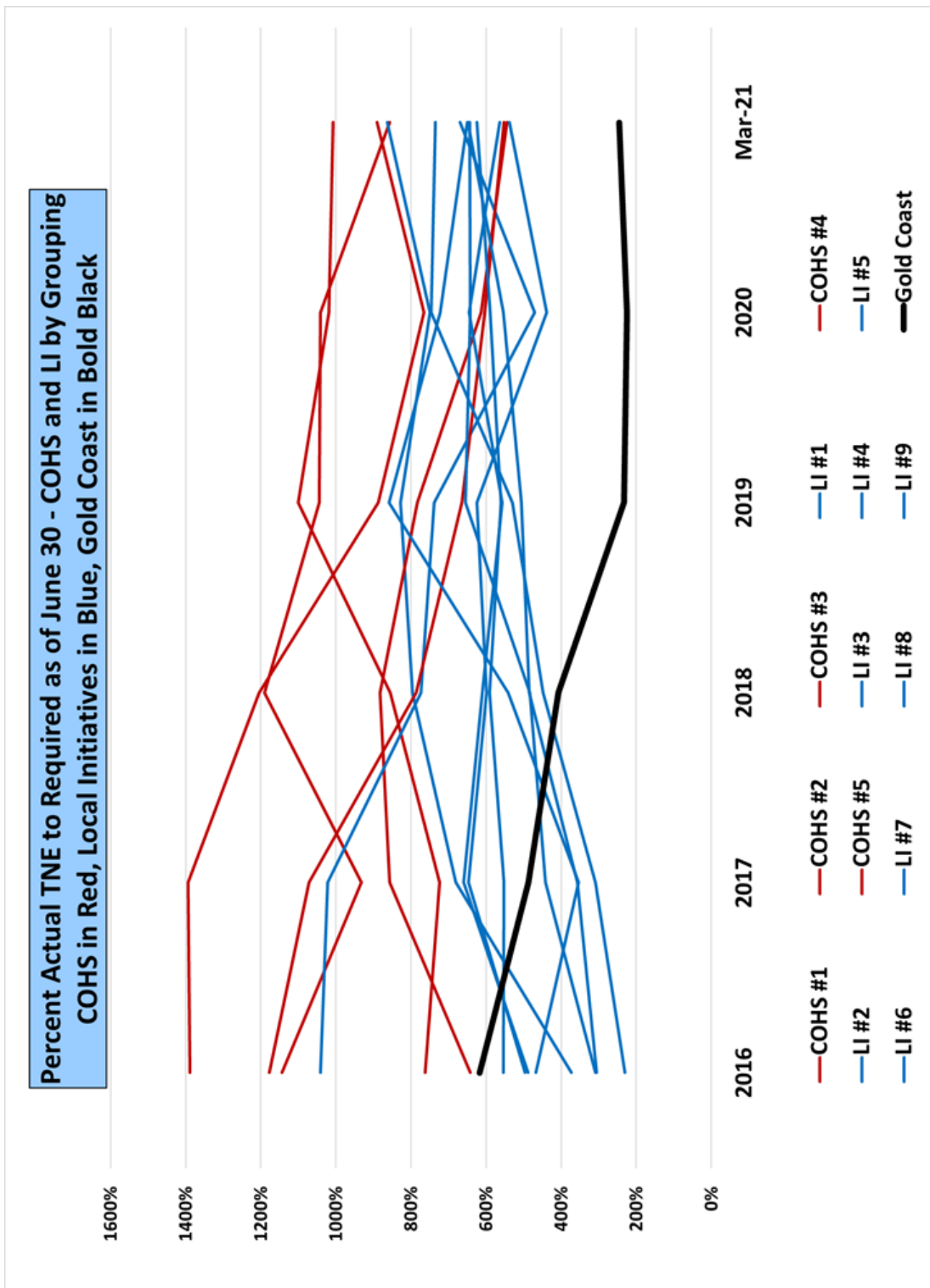
* Assumes pharmacy carve-out effective 1/1/22.

Tangible Net Equity (TNE) Forecast

Tangible Net Equity
4 Year Forecast 2021-2024
(Fiscal Year 21-22 GCHP Budget)



Tangible Net Equity (TNE) Comparison



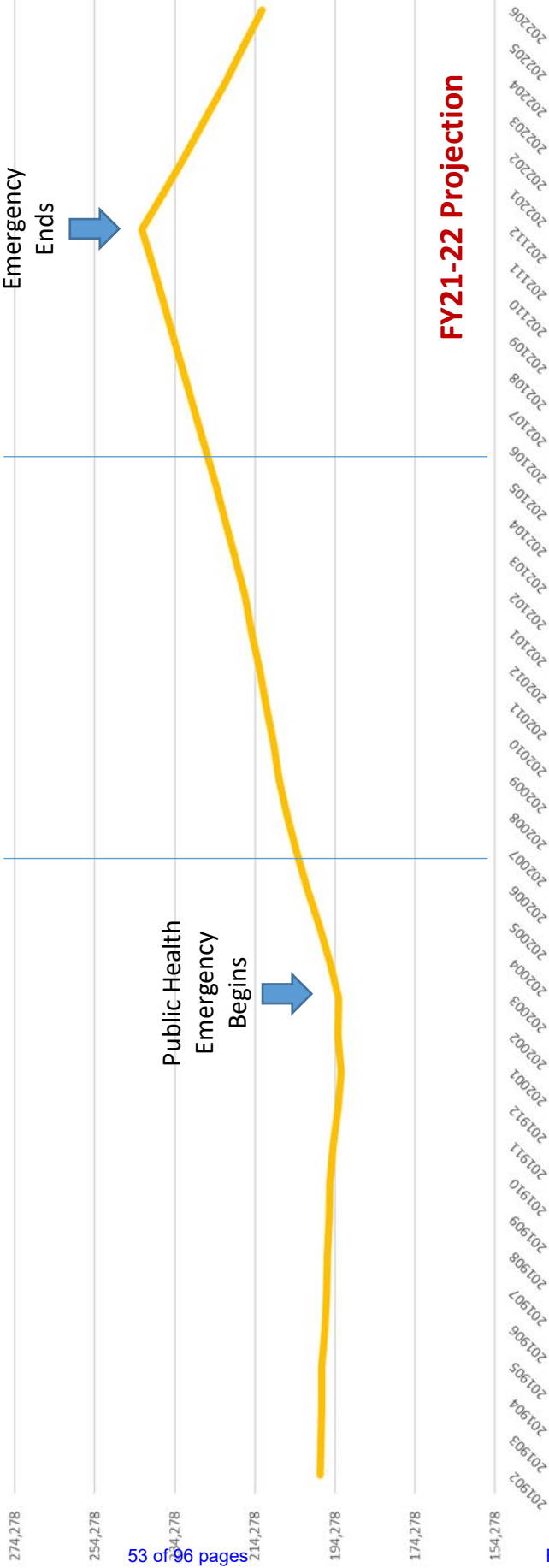
Membership

Goldcoast Health Plan Membership Trend January 2019-June 2022

Assumption:
Public Health
Emergency
Ends

Public Health
Emergency
Begins

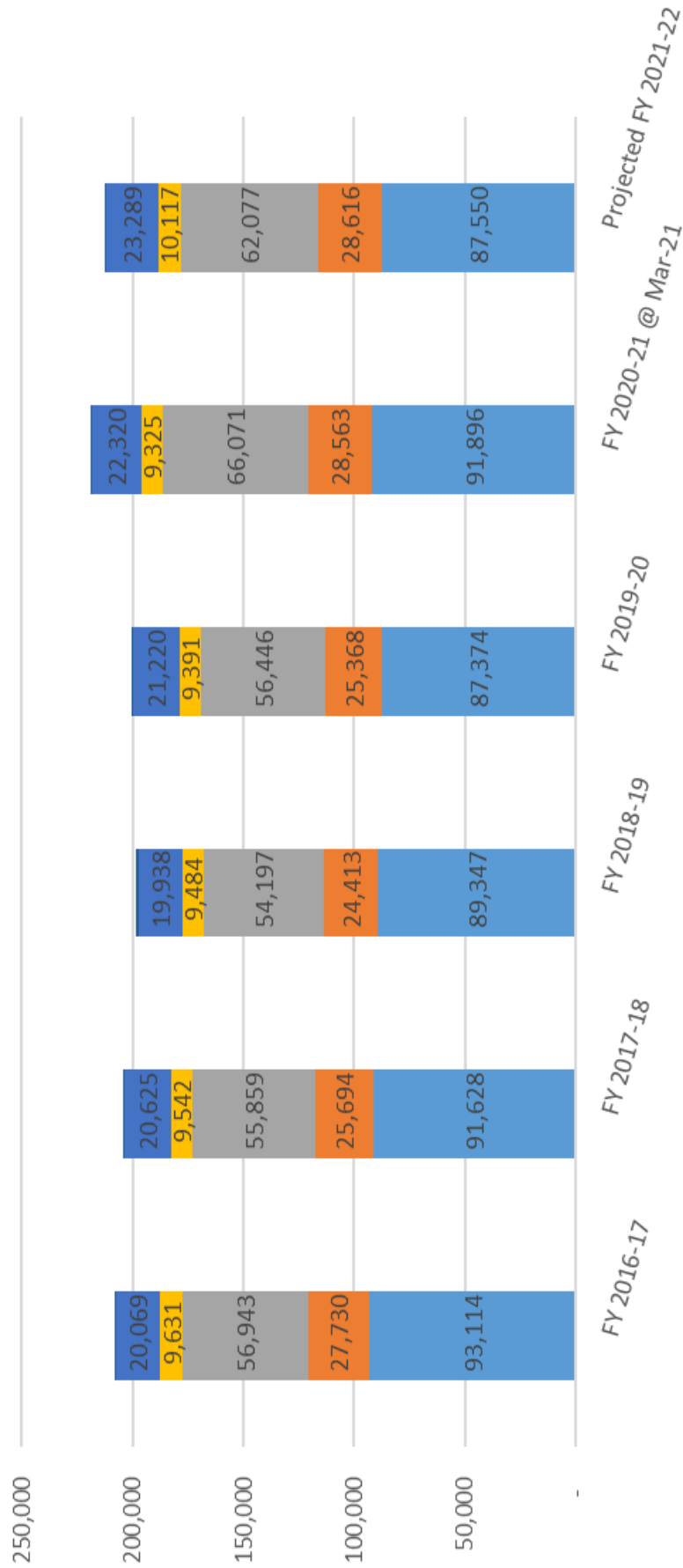
FY21-22 Projection



Enrollment: Assumes a membership increase of 7.6% through the end of assumed PHE (12/31/21) and thereafter membership drops down to pre-COVID levels over a 6-month time period (~-16% per month). 6-month ramp down once redeterminations begin again (assumed 1/1/22) to ~212K by fiscal year end.

Membership

Average Membership by AID Category

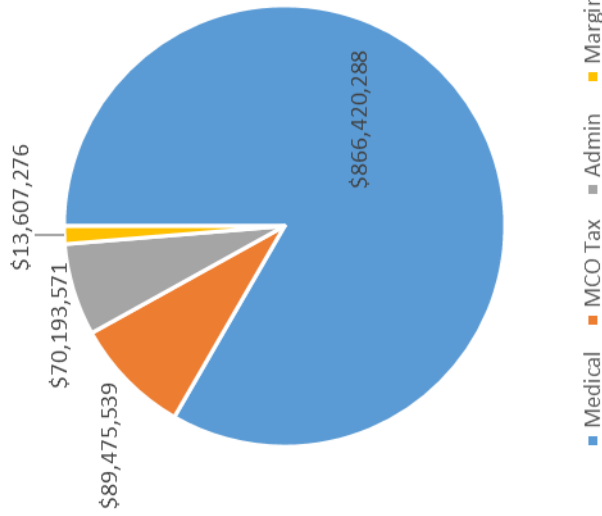


Revenue Assumptions

- Flexible budget
- Enhanced Care Management under CalAIM – draft rates received 5/28/21
- Includes Proposition 56 directed payments, GEMT and MCO Tax Premium
- Pharmacy carve out effective January 1, 2022
- CY 2022 revenue based on CY 2019 RDT

Revenue

Total Capitation Revenue by Component



FY21-22 Projections		
Base Capitation	\$ 879,670,559	84.6%
ECM Revenue (CalAIM)	\$ 1,741,851	0.2%
Hep C Supplemental	\$ 2,341,784	0.2%
BHT Supplemental	\$ 16,858,080	1.6%
Maternity Supplemental	\$ 20,818,197	2.0%
Prop 56 Directed Payments	\$ 28,790,663	2.8%
MCO Premium Tax	\$ 89,475,539	8.6%
	\$ 1,039,696,673	

Medical Expense Assumptions

- Flexible budget
- Based on CY 2019 PMPM expenses and trended forward
- Trend factors consistent with RDT (2-4%)
- Assumed some decrease to utilization through PHE
- 3.9% increase to LTC costs
- Removal of 10% increase to LTC at end of PHE
- 5.8% increase to Pharmacy costs
- Included Directed Payments under Proposition 56 and GEMT
- Pharmacy carve out effective January 1, 2022

Medical Expense Budget

FY 2021-22 MEDICAL EXPENSE BUDGET

	FY 2020-21		Projected		Projected		FY 2021-22	PMPM	% Change	Projected Dollars
	as of March 2021	Projected	Jan - Jun 2022	Projected	PMPM	PMPM				
Capitation - PCP Expense	\$ 34.17	\$ 36.57	\$ 34.03	\$ 35.33				3%	\$ 99,203,619	
<u>Fee For Service</u>										
Inpatient FFS Expense	\$ 66.45	\$ 66.35	\$ 73.87	\$ 70.02				5%	\$ 193,309,969	
Outpatient FFS Expense	23.44	26.24	29.46	27.81				19%	76,779,169	
LTC/SNF Expense	56.72	55.41	54.08	54.76				-3%	151,185,196	
ER Facility Services FFS	9.06	13.45	14.29	13.86				53%	38,273,865	
Physician Specialty Services FFS	25.58	27.11	27.14	27.12				6%	74,878,141	
Transportation FFS	1.47	0.81	0.83	0.82				-44%	2,268,988	
Primary Care Physician FFS	7.04	7.47	7.48	7.47				6%	20,631,465	
Mental and Behavioral Health	11.98	11.03	11.12	11.07				-8%	30,569,722	
Pharmacy Expense FFS	62.67	65.14	-	33.36				-47%	92,104,164	
Other Medical Professional	1.47	1.79	1.85	1.82				24%	5,021,692	
Home & Community Based Svcs	9.35	9.91	10.44	10.17				9%	28,076,269	
Laboratory and Radiology Expense	3.28	2.35	2.06	2.21				-33%	6,094,824	
Other Medical Care Expenses	3.77	4.06	4.27	4.16				10%	11,483,512	
Directed Payments	10.47	11.01	9.85	10.45				0%	28,844,065	
Provider Reserve	0.50	-	-	-				-100%	-	
Sub-total	\$ 293.25	\$ 302.13	\$ 246.75	\$ 275.12				-6%	\$ 759,521,041	
Reinsurance-Net	\$ 1.30	\$ 1.35	\$ 1.35	\$ 1.35				4%	\$ 3,726,997	
Refunds & Recoveries	\$ (1.81)	\$ (1.56)	\$ (0.77)	\$ (1.17)				-35%	\$ (3,242,210)	
Care Management	\$ 6.03	\$ 5.50	\$ 5.76	\$ 5.62				-7%	\$ 15,529,043	
Total Medical Expenses	\$ 332.94	\$ 344.00	\$ 287.12	\$ 316.25				-5%	\$ 874,738,491	
MLR	93.1%	92.7%	90.5%	91.7%				-1.4%		

Total FFS Medical Expenses



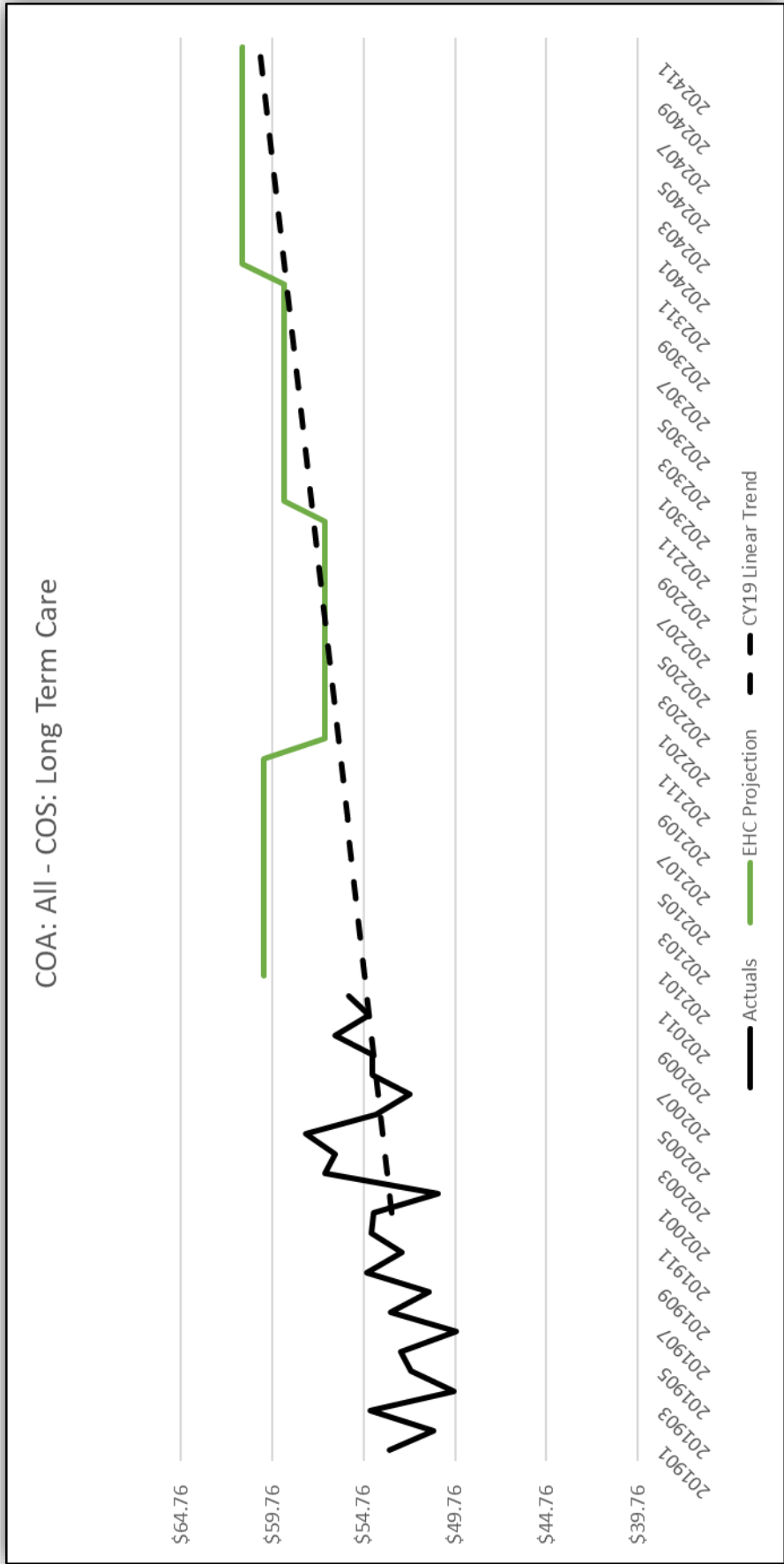
Inpatient FFS Medical Expenses



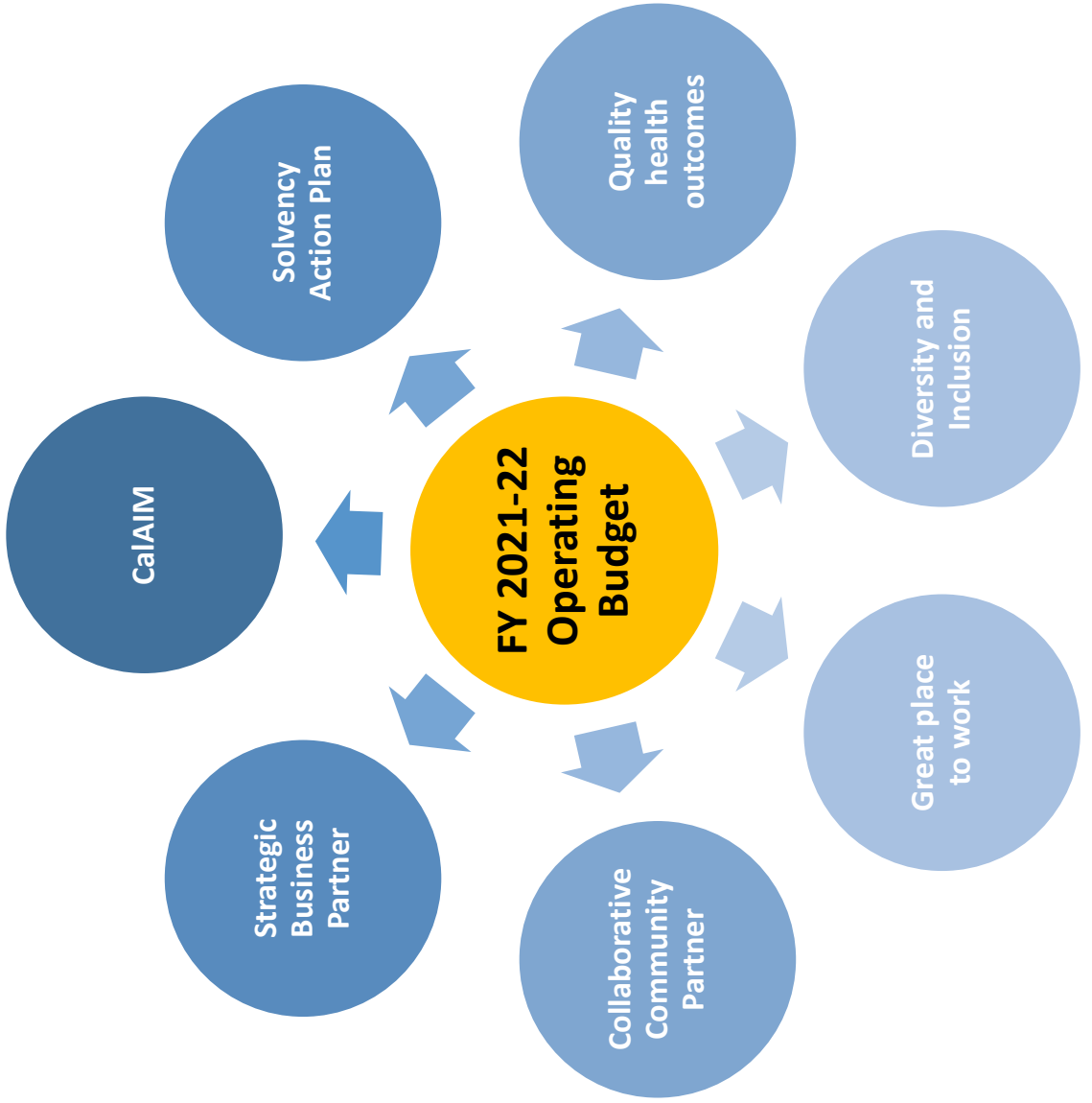
Outpatient FFS Medical Expenses



Long Term Care FFS Medical Expenses



FY 2021-22 Strategic Plan



Administrative Expense Assumptions

- Fixed Budget
- 6.5% Administrative Cost Ratio (ACR)
- Within amounts allotted for administrative expense in capitation rates
- Assumes 3% merit increase re-instated (effective 8/1/2021) & 6% attrition rate
- Equity Adjustments, as a result of Compensation Analysis, are in the HR business unit as a placeholder
- Assumes Employee Benefit Expense increases (effective 1/1/2022)
- Assumes Insurance rate increases between 20-40% due to “hard market” of ~\$250K; assumed mid-range for budget
- Medi-Cal Rx implementation assumed as of 1/1/2022
- In-person travel assumed to start 1/1/2022 (all training prior to this date is virtual)
- PMPM driven expenses are assumed at ~230K members for fiscal year

Administrative Expense Budget

Total Administrative Expenses (in millions)



	FY20-21 Actuals*	FY20-21 Budget	FY21-22 Budget	FY21-22 vs Actual Δ	FYE 22 vs FYE 21 Budget Δ
Salaries, Wages & Benefits	\$24.8M	\$26.4M	\$29.1M	\$4.3M	\$2.7M
Training, Conference & Travel	\$0.0M	\$0.2M	\$0.4M	\$0.4M	\$0.2M
Outside Services	\$24.9M	\$24.6M	\$27.4M	\$2.5M	\$2.8M
Professional Services	\$4.8M	\$3.4M	\$4.0M	(\$0.8M)	\$0.6M
Occupancy, Supplies, Insurance & Other	\$7.0M	\$9.4M	\$10.9M	\$3.9M	\$1.5M
CM Reclass to Medical Exp	(\$15.2M)	(\$14.5M)	(\$15.5M)	(\$0.3M)	(\$1.0M)
Project Portfolio	\$2.7M	\$5.5M	\$6.3M	\$3.6M	\$0.8M
TOTAL	\$49.0M	\$55.0M	\$62.4M	\$13.4M	\$7.4M

Major Drivers:

- Increases to membership ~\$ 2.5 M
- 22 new positions (details on next slide) ~\$1.5M
- Equity Adj, Merit, Promotions, EE Recruit ~\$1.2M
- Project Portfolio ~\$0.8M
- Travel Reinstatement ~\$0.2M
- Benefits / Business Insurance Increases ~\$0.5M

Administrative Expense Budget

Salaries, Wages & Benefits

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget	FY21-22 vs Actual Δ	FY21-22 vs FY20-21 Budget Δ
\$ 24,758,754	\$ 26,379,708	\$ 29,067,616	\$ 4,308,862 	\$ 2,687,908 
			17.4%	10.2%

Major Drivers:

1. 22 new positions (details on next slide) ~\$1.5M
2. Reinstate 3% merit increase effective 8/1/21 ~\$.7M;
3. Equity increases (resulting from Compensation Analysis ~\$250K;
4. Promotions ~\$150K
5. Significant increases expected by HR for health, dental and vision insurance effective 1/1/2022

Administrative Expense Budget

New Positions



Business Unit Desc	New Position Title	New Position Annual Salary	FY21-22 Budget Impact	Start Date	New Position Reason
116 Solutions Services	EDI Analyst Senior	\$ 120,000.00	\$ 80,000.00	11/1/2021	Strategic Plan - SAP/Quality
116 Solutions Services	EDI Developer II	\$ 120,000.00	\$ 80,000.00	11/1/2021	Strategic Plan - SAP/Quality
116 Solutions Services	EDI Manager	\$ 140,000.00	\$ 116,666.67	9/1/2021	Strategic Plan - SAP/Quality
173 Population Health	Manager, Population Health & Equity	\$ 130,000.00	\$ 97,500.00	10/1/2021	Strategic Plan - Quality
171 Utilization Management	Clinical Operations Assistant I	\$ 47,500.00	\$ 31,666.67	11/1/2021	CaAIM
172 Case Management	Care Management Coordinator	\$ 52,500.00	\$ 35,000.00	11/1/2021	CaAIM
172 Case Management	Care Management Coordinator	\$ 52,500.00	\$ 35,000.00	11/1/2021	CaAIM
172 Case Management	Case/Care Management, Social Worker	\$ 97,500.00	\$ 65,000.00	11/1/2021	CaAIM
172 Case Management	Case/Care Management, Social Worker	\$ 97,500.00	\$ 65,000.00	11/1/2021	CaAIM
172 Case Management	Manager, Care Management	\$ 117,117.00	\$ 78,078.00	11/1/2021	CaAIM
172 Case Management	RN, Case/Care Management	\$ 97,500.00	\$ 65,000.00	11/1/2021	CaAIM
172 Case Management	RN, Case/Care Management	\$ 97,500.00	\$ 65,000.00	11/1/2021	CaAIM
175 Compliance	Regulatory Affairs Analyst	\$ 97,500.00	\$ 81,250.00	9/1/2021	CaAIM
116 Solutions Services	API Developer	\$ 135,000.00	\$ 67,500.00	1/1/2022	Strategic - Interoperability
117 PMO	Manager, Enterprise Portfolio PMO	\$ 150,000.00	\$ 137,500.00	8/1/2021	Strategic Plan
140 Quality	QI Specialist	\$ 62,400.00	\$ 62,400.00	7/1/2021	Strategic - Quality
145 Government Relations	Community Relations Specialist	\$ 65,000.00	\$ 10,833.33	5/2/2022	Strategic - Community Partner
160 Claims	Claims Analyst II	\$ 59,446.00	\$ 59,446.00	7/1/2021	Strategic - Business Partner
171 Utilization Management	RN, Utilization Management	\$ 97,500.00	\$ 97,500.00	7/1/2021	Regulatory/Compliance
171 Utilization Management	RN, Utilization Management	\$ 97,500.00	\$ 48,750.00	1/3/2022	Regulatory/Compliance
175 Compliance	Compliance Auditor	\$ 97,500.00	\$ 81,250.00	9/1/2021	Solvency Action Plan
175 Compliance	Compliance Auditor	\$ 97,500.00	\$ 81,250.00	9/1/2021	Solvency Action Plan
		\$ 2,128,963.00	\$ 1,541,590.67		

Administrative Expense Budget

Position Summary					
Department	May-21	Budget	Budget	FY 2021-22	Change
	Filled	FY 2020-21			
Executive	8	8.0		9.0	1.0
Finance	7	7.0		7.0	-
Procurement	3	3.0		3.0	-
Decision Support Services	7	8.0		9.0	1.0
Infrastructure	5	5.0		5.0	-
Solution Services	8	14.0		16.0	2.0
Project Management Organization	1	2.0		4.0	2.0
Information Technology	4	3.0		5.0	2.0
Operations	2	1.0		1.0	-
Grievance and Appeals	5	5.0		7.0	2.0
Operations Support Services	5	6.0		4.0	(2.0)
Member Services	5	5.0		5.0	-
Network Operations	10	12.0		11.0	(1.0)
Quality	9.5	9.5		10.0	0.5
Government Relations	3	4.0		5.0	1.0
Health Education	5	6.0		6.0	-
Pharmacy	2.5	2.5		2.5	-
Communications	2	2.0		2.0	-
Claims	6	5.0		6.0	1.0
Health Services	5	5.0		6.0	1.0
Utilization Management	39.5	42.5		44.5	2.0
Care Management	30	31.0		38.0	7.0
Population Health	2	4.0		4.0	-
Compliance	9	11.0		13.0	2.0
Human Resources	6	6.0		6.0	-
Facilities	3	3.0		3.0	-
Interoperability					
	192.5	210.5		232.0	21.5
Assumed Filled (6% Vacancy)		198		218	

Administrative Expense Budget

Training, Conference & Travel



FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget	FY21-22 vs Actual Δ	FY21-22 vs FY20-21 Budget Δ
\$18,490	\$177,570	\$369,699	\$351,209 	\$192,129 108.2% 

Major Drivers:

1. This category of expense was significantly cut in the FY20-21 budget due to Public Health Emergency and Solvency Action Plan.
2. Current proposed budget reinstates in-person travel as of 1/1/2022 (all training and events prior are virtual)
3. Includes \$35K budgeted by Chief Diversity Office for internal and community events (new to budget this year)
4. Proposed budget is ~ 50% of FY19-20 budget

Administrative Expense Budget

Outside Services



FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget	FY21-22 vs Actual Δ	FY21-22 vs FY20-21 Budget Δ
\$24,936,008	\$24,572,292	\$27,362,059	\$2,426,051 	\$2,789,767 

Major Drivers:

1. Increase of ~\$450K due to budget for Conduent Fulfillment reimbursement (this was missed in FY20-21 budget last year)
2. Increase of ~\$2.2 for PMPM based expenses (due to increase in membership over prior year budget)

Administrative Expense Budget

Professional Services



FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget	FY21-22 vs Actual Δ	FY21-22 vs FY20-21 Budget Δ
\$4,761,019	\$3,401,517	\$3,967,500	(\$793,519) 	\$565,983 

Major Drivers:

1. Increase in HMA consulting budget ~\$620K offset by reduction in legal budget of (\$350K) for a net increase of ~\$270K
2. Increase in Edrington Health Consulting budget due to anticipated new RDT related reporting requests and new quarterly format ~\$195K
3. Increase in HR Employee Recruitment budget due to increase in number of positions that will need to be recruited for in FY21-22 ~180K
4. Increase in IT consulting services (SharePoint, API Gateway, HIPAA Audit) ~\$107K

Administrative Expense Budget

Occupancy, Supplies, Insurance & Other

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget	FY21-22 vs Actual Δ	FY21-22 vs FY20-21 Budget Δ
\$6,991,442	\$9,406,822	\$10,852,255	\$3,860,813 	\$1,445,433 

Major Drivers:

1. Increases in Software Licenses (Optum APR-DRG for Ops, Edifecs for Interoperability, Gartner & Pilotfish for IT) ~\$700K
2. Increase in business insurance due to “hard market”; our broker is projecting many of the categories of insurance to increase between 20-40% ~\$250K
3. Increase in Communications printing/postage due to budget of 2 EOC/Member Handbook mailings in FY21-22 (July 2021 & April 2022)
4. Increase in depreciation expense ~\$200K

Administrative Expense Budget

Project Portfolio

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget	FY21-22 vs Actual Δ	FY21-22 vs FY20-21 Budget Δ
\$2,728,099	\$5,474,986	\$6,331,642	\$3,603,543 ↑	\$856,656 ↑

Major Drivers:

1. Provider Portal ~\$1.0M
2. Interoperability ~\$1.5M
3. Enterprise Data Warehouse ~\$640K
4. CalAIM ~\$475K
5. HSP ~\$160K
6. IT Infrastructure ~\$289K
7. Health Services (HEDIS/MCAS EMR integration, Med Therapy Mgmt,HIE) ~\$1.0M
8. PCCM ~\$530K
9. Staff Augmentation ~\$700K

Project Portfolio

Gold Coast Health Plan FY 2021-22 Project Portfolio FY 2020-21 Carry-over Initiatives

Project	Description	Strategic Plan Objective	FY 2021-22 Expense	FY 2021-22 Capital
CMS Interoperability	CMS Interoperability and Patient Access Final Rule is a mandate for payers effective January 1, 2021. The goal is to provide member's access to health data and support member choice.	Healthcare Leader Responsible Fiscal Steward	\$ 1,236,078	\$ -
Enterprise Data Warehouse	Strategic technology investment in data warehouse architecture, tools and resources to effectively support the provision, management, proliferation, and use of data for improved decision making, business process improvement, and faster response to regulatory conditions.	Healthcare Leader	643,900	\$ -
Provider Credentialing, Contracting & Data Management (PCCM)	Implementation of an integrated system for the management of provider credentialing, contracting and data. Mission critical initiative to ensure that GCHP continues to meet ongoing and increasing regulatory requirements around provider data accuracy, support contracting efforts, and optimize business processes.	Strategic Business Partner	528,080	\$ -
Manifest MedEx	Effort to support the Ventura County Health Improvement Exchange (HIE) and improve population health management. HEDIS/MCAS EMR integration project to establish EMR integration with 4 major clinical systems to support Quality Improvement initiatives	Healthcare Leader Quality Health Outcomes	382,500	
Enterprise Transformation Projects (ETP)	Initiative to convert to a new core administrative platform - Health Solutions Plus (HSP) for claims processing, eligibility, membership and benefit maintenance, along with implementation of a new customer service system solution to optimize call center efficiencies.	Future Demands of Providing Quality Care	200,500	
IT Infrastructure- Maintenance & Business Continuity Projects	Additional infrastructure hardware investments and installations to add business continuity capabilities.	Future Demands of Providing Quality Care	258,538	\$ 927,100
Staff Augmentation (All Projects)			700,000	
		FY 2020-21 Carry-over Initiatives	\$ 3,949,596	\$ 927,100

Project Portfolio

Gold Coast Health Plan FY 2021-22 Project Portfolio

New Initiatives

Project	Description	Strategic Plan Objective	FY 2021-22 Expense	FY 2021-22 Capital
Portal Capabilities	Investment to provide a consistent and more robust provider portal experience for enhanced provider engagement and GCHP improved business process effectiveness/efficiencies	Strategic Business Partner	960,500	
CalAIM	A multi-year DHCS mandated initiative to reform the Medi-Cal program to improve the quality of life and health outcomes of Medi-Cal members. The program will implement broad delivery system, program and payment reform across the Medi-Cal system, building upon the successful outcomes of various pilots. Year 1 project budget to include: <ul style="list-style-type: none"> -ECM/ILOS Benefit implementation -Population Health Registry -Knox-Keene Implementation (Application/License Fee) -NCQA Accreditation analysis -D-SNP / PBM RFP consultant 	Collaborative Community Partner	475,630	
MHK Med Therapy Mgmt (MTM)	Implementation of a MHK module that is CMS compliant for Part D MTM's program	Quality Health Outcomes	259,167	
MHK Medical Management System Upgrade	Needed System upgrade from v3.5E to v3.9. GCHP is currently on MedHOK version 3.5.6, per contractual terms GCHP needs to be within 2 versions of the latest code.	Quality Health Outcomes	204,750	
Other- Misc. Business Process Improvement / Strategic Plan initiatives	<i>Misc. Business Process Improvement Projects < \$100K each:</i> <ul style="list-style-type: none"> - Prospective RDT Reporting - Provider Pay for Performance Incentive Program (consulting only) -274 Business Process Improvement (automation/stabilization/decision audit log) 	Responsible Fiscal Steward Strategic Business Partner Healthcare Leader	152,500	
Encounter Data Mgmt Program Assessment	Temp Labor for assistance in performing gap analysis and development of a process improvement roadmap.	Healthcare Leader	126,000	
Fix Existing Project Web PWA	Portfolio & Project Mgmt Implementation	Future Demands of Providing Quality Care	118,000	
		New Initiatives	\$ 2,296,547	\$ -
		Total Project Cost	\$ 6,331,642	\$ 927,100

Admin Expense Budget

FY 2021-22 GENERAL AND ADMINISTRATIVE EXPENSES

	FY 2020-21		FY 2021-22		Change Budget to Budget	Percent Change
	Projected Actual	FY 2020-21 Budget	FY 2021-22 Budget	FY 2021-22 Budget		
Salary Expense	\$ 19,018,837	\$ 19,984,614	\$ 21,882,765	\$ 1,898,151	9%	
Temp Labor	98,196	239,000	214,100	(24,900)	-10%	
Taxes and Benefits	5,641,721	6,156,095	6,970,751	814,657	13%	
Training, Conference, and Travel	18,490	177,570	369,699	192,129	108%	
Outside Services - Conduent	19,073,944	19,207,066	19,719,860	512,795	3%	
Outside Services - PBM Admin	2,082,234	1,147,065	1,221,322	74,257	6%	
Outside Services - Other	3,779,830	4,218,162	6,420,877	2,202,714	52%	
Accounting & Actuarial Services	116,815	175,000	165,000	(10,000)	-6%	
Legal	2,422,696	1,500,000	1,150,000	(350,000)	-23%	
Consulting Services	1,782,964	1,269,000	1,960,000	691,000	54%	
Translation Services	134,235	325,017	380,000	54,983	17%	
Committee/Advisory	8,500	12,500	12,500	-	0%	
Employee Recruitment	295,809	120,000	300,000	180,000	150%	
Lease	1,367,233	1,555,248	1,547,496	(7,752)	0%	
Depreciation & Amortization	508,163	443,387	407,739	(35,648)	-8%	
Non-Capital - Furniture & Equipment	38,171	264,000	181,700	(82,300)	-31%	
Office & Operating Supplies	35,018	160,716	187,920	27,204	17%	
Shipping & Postage	99,178	213,460	308,890	95,430	45%	
Printing	328,159	566,300	810,600	244,300	43%	
Software Licenses	3,184,811	4,236,150	5,094,380	858,230	20%	
Repairs & Maintenance	106,955	154,043	204,875	50,832	33%	
Telephone/Internet	131,550	284,276	245,700	(38,576)	-14%	
Advertising and promotion	108,663	225,500	393,900	168,400	75%	
Insurance	655,694	600,000	850,000	250,000	42%	
Interest	109,250	270,000	270,000	-	0%	
Professional dues, fees, and licenses	234,250	242,863	237,767	(5,096)	-2%	
Subscriptions and publications	17,390	22,878	27,288	4,410	19%	
Bank Service Fees	7,536	18,000	9,000	(9,000)	-50%	
Other miscellaneous	59,423	150,000	75,000	(75,000)	-50%	
Care Management	(15,232,119)	(14,482,056)	(15,529,043)	(1,046,987)	7%	
Total General and Administrative	\$ 46,233,593	\$ 49,455,853	\$ 56,090,086	\$ 6,634,233	13%	
% Admin to Revenue	5.1%	6.5%	5.9%			
Enterprise Project Portfolio	\$ 2,728,099	\$ 5,474,986	\$ 6,331,642	\$ 856,656	16%	
Total G&A (including Projects)	\$ 48,961,692	\$ 54,930,839	\$ 62,421,728	\$ 7,490,889	14%	
% to Revenue	5.4%	7.3%	6.5%			

* Approximately 60% of budget contractually obligated amounts (Conduent, PBM fees, Software Licenses, etc.)

GCHP Admin Expenses

History & Trends

Admin	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 (Budget)
Admin (Budget)	\$ 54,539,066	\$ 49,627,225	\$ 53,869,160	\$ 57,701,709	\$ 54,930,839	\$ 62,421,728
Admin (Actual)	\$ 51,176,317	\$ 49,015,352	\$ 46,655,880	\$ 50,830,596	\$ 48,961,692*	
% ACR-GCHP	7.5%	7.1%	6.6%	6.1%	5.4%	6.5%
Average ACR COHS plans	5.5%	6.1%	6.7%	6.3%	5.7%	
Drivers	\$1.2M Arch Grants; \$2.2 M increase to salaries and benefits; \$1.1 M increase to Conduent; \$3.6 M increase to legal from PY; leases; software; advertising; interest expense	Decrease related to PBM admin fees and grants	Decrease to Conduent fees (enrollment); decrease to legal and accounting fees; decrease to community grants	Projects; lift of hiring freeze; severance packages; increased legal and consulting fees; interest expense	Excluding projects, admin projects anticipated to decline from current run rate despite estimated 12% growth in membership.	Increases to membership ~\$ 2.5 M; 22 new positions ~\$1.5M; Equity Adj, Merit, Promotions, EE Recruit ~\$1.2M; Project Portfolio ~\$1.8M; Travel Reinstatement ~\$.2M; Benefits / Business Insurance Increases ~\$.5M
* Projected						

FY2021-22 Capital Budget

GOLD COAST HEALTH PLAN FY 2021-22 CAPITAL BUDGET		
<u>Asset Category</u>	<u>Description</u>	<u>Amount (\$)</u>
Leasehold Improvements	Cubicle Configuration Changes	\$ 50,000
Leasehold Improvements	Door hardware and security equipment	5,500
Leasehold Improvements	Building upgrades	28,050
Computer Systems & Software	Office Phone System Refresh	60,000
Computer Systems & Software	IT Infrastructure Wireless Network Refresh	41,000
Computer Systems & Software	IT Infrastructure Storage Access Network Refresh	260,000
Computer Systems & Software	IT Infrastructure BC Implementation -Network	198,600
Computer Systems & Software	IT Infrastructure Backup Power Supply Refresh	100,000
Computer Systems & Software	Data Environment Refresh	267,500
		<u>\$ 1,010,650</u>

FY 2021-22 Operating Budget

GOLD COAST HEALTH PLAN			
FY 2021-22 OPERATING BUDGET			
	Jul 1- Dec 31 2021	Jan 1- Jun 30 2022*	TOTAL
Program Revenue	\$ 567,622,662	\$ 472,074,012	\$ 1,039,696,673
MCO Tax Expense	\$ (43,131,600)	\$ (43,131,600)	\$ (86,263,200)
Net Revenue	\$ 524,491,062	\$ 428,942,412	\$ 953,433,473
Medical Expenses	\$ 486,370,870	\$ 388,367,621	\$ 874,738,491
	MLR 92.7%	90.5%	91.7%
Gross Margin	\$ 38,120,191	\$ 40,574,791	\$ 78,694,982
General & Administrative Expenses	\$ 29,194,175	\$ 26,895,911	\$ 56,090,086
Project Portfolio	\$ 4,254,146	\$ 2,077,496	\$ 6,331,642
	Admin % 6.4%	6.8%	6.5%
Interest Income	\$ 180,000	\$ 180,000	\$ 360,000
Net Gain	\$ 4,851,870	\$ 11,781,385	\$ 16,633,255

* Assumes pharmacy carve-out effective 1/1/22.

Questions?

Staff requests that the Executive Finance Committee recommend approval of the Fiscal Year 2021-2022 Operating and Capital budgets, and corresponding contract renewals outlined in the appendix to the Commission.



Gold Coast Health PlanSM

A Public Entity

FY 2021-22 OPERATING AND CAPITAL BUDGETS

Executive Budget Summary

Overview

The FY 2021-22 budget and corresponding forecasts indicate that Gold Coast Health Plan (GCHP) is on a positive trajectory for financial recovery. While this is good news, it is imperative that GCHP not lose sight of its financial goals and continues to build reserves. This will protect GCHP against increasing risk associated with economic uncertainty and requirements under CalAIM and the Interoperability Rule¹.

Investing in important projects at this critical point will mitigate the adverse impact of future risks and allow GCHP to meet evolving demands and regulatory requirements. GCHP will potentially need to invest in products which are the contractual requirements of Conduent to minimize the provider abrasion associated with deficiencies in the new core administrative services platform, Health Solutions Plus. While there are administrative costs associated with these projects, there will be long term efficiencies, cost savings, and benefits to providers and members.

It should be noted at the outset that the GCHP FY 2021-22 general and administrative budget is \$62,421,728. This is 6.5% of estimated revenue and 9 million less than the amount allocated in the capitation rates for administrative expenses which is a total of \$71,503,465. GCHP has been thoughtful about its administrative budget in response to the Solvency Action Plan and balanced with needed operational and project investments.

In any budget year, and heightened by this fiscal year's uncertainties related to post-pandemic recovery, there are several variables that can impact actual Plan's performance including:

- Changes in State policy which impact forecasted revenue.
- Membership trends.
- Medical expenses that fluctuate based on the medical needs of the membership and unknown factors such as disease outbreaks, social unrest, and fires.

GCHP is deeply committed to the long-term stability of Plan finances through implementation of the Solvency Action Plan, the health care needs of the Plan's members, the future success of the Plan, and the value that the Plan brings to its members and the provider community. GCHP remains dedicated to its mission to improve the health of our members through the provision of high-quality care and services.

This document outlines the fiscal year 2021-22 operating and capital budgets and major associated assumptions. It is segregated into 6-month increments to demonstrate the impact of projected rates from the State effective January 1, 2022, and the State's pharmacy carve out under Medi-Cal Rx. The budget estimates modest gains of approximately \$4.8 million in the first six months of the fiscal year, followed by more significant gains of \$11.8 million in the second half of the fiscal year.

¹ The Centers for Medicare & Medicaid Services (CMS) Interoperability and Patient Access final Rule (Rule) (CMS-9115-F).

Subject to the Commission’s express approval, included in the appendix are contract renewals for the upcoming year.

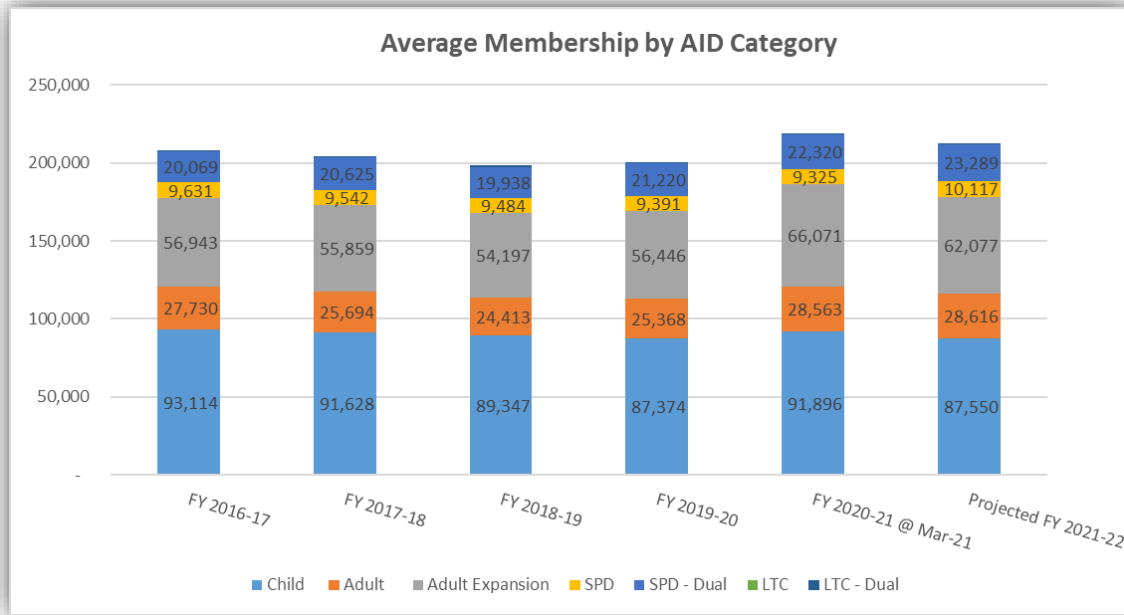
Membership

Membership is expected to increase through the end of the Public Health Emergency (PHE) due to the current moratorium on Medi-Cal redeterminations. The budget assumes a membership increase of 7.6% through the end of assumed PHE (12/31/21) and thereafter membership drops down towards pre-COVID levels over a 6-month period (~-16% per month). Due to the strong correlation between unemployment and Medi-Cal enrollment, membership is projected to remain higher than pre-COVID-19 levels. Total membership is projected to be approximately 212,000 by the end of the fiscal year. For reference, the table on page 5 is historical data that reflects changes in Medi-Cal enrollment over several recessions.

Years Spanned (Total # of Months During Economic Recession) ¹	Start Date of Economic Recession	End Date of Economic Recession	Year-over-year change in Medi-Cal Enrollment ²
1970 (11)	January 1970	November 1970	22.6%
1973-1975 (16)	December 1973	March 1975	-2.2% 3.9% 9.1%
1980 (6)	February 1980	July 1980	4.8%
1981-1982 (16)	August 1981	November 1982	3.9% -1.4%
1990-1991 (8)	August 1990	March 1991	13.1% 16.6%
2001 (8)	April 2001	November 2001	8.2%
2008-2009 (18)	January 2008	June 2009	2.5% 5.3%

¹ Department of Health Care Services (DHCS), Research and Analytic Studies Division (RASD), *Medi-Cal Statistical Brief, August 2015*

² This increase could also include changes in eligibility so this may not reflect a direct link to the recessionary growth only.



Medi-Cal Capitation and premium revenue, reinsurance and related recoveries, and the medical expense budgets are presented on a per member per month (PMPM) basis and are considered flexible budgets whose aggregate dollar amounts vary with changes in a program’s actual member enrollment. Administrative costs, interest income and other revenues are primarily considered fixed budgets, though certain administrative items (e.g. certain vendor costs) are priced on a per member per month basis and do fluctuate with actual membership levels.

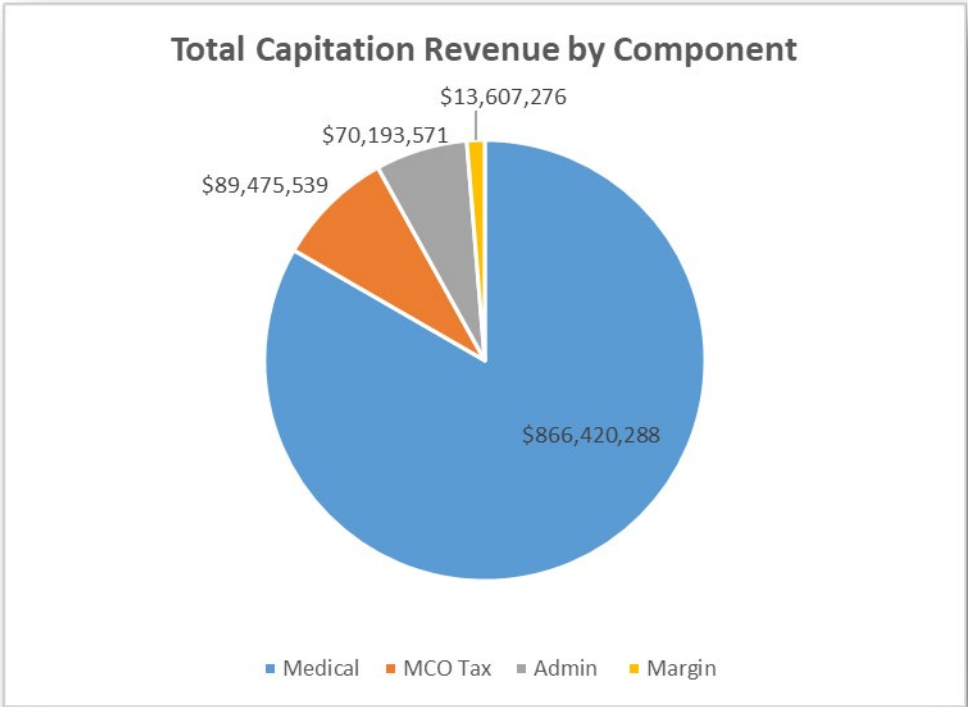
Revenue

Total revenue (net of MCO tax) in the budget is projected at \$953.4 million (\$345.35 pmpm) based on the calendar year 2021 capitation rates from the State that are effective from January 1, 2021 to December 31, 2021. The budget assumes a revenue reduction associated with the pharmacy benefit carve-out effective 1/1/2022 and reflects current draft rates for the CalAIM Enhanced Care Management benefit effective 1/1/2022. In addition, the budget includes revenue related to Proposition 56 consistent with the May Revise.

GCHP is expected to receive revised capitation rates from the State which will be effective January 1, 2022. Initial projections based on the rate development template submitted to the State indicated the Plan would receive a 5% increase. The calendar year 2022 capitation rates from the State will be established based on medical expenditures in calendar year 2019, with applied trend factors, credibility adjustments and program changes. Components are then applied for administrative expenses and an operating margin.

The Plan receives additional revenue for specialty drug treatments associated with members diagnosed and treated for Hepatitis C, for members receiving behavioral health (BHT) services and for female members who deliver a newborn child.

FY21-22 Projections		
Base Capitation	\$ 879,670,559	84.6%
ECM Revenue (CalAIM)	\$ 1,741,851	0.2%
Hep C Supplemental	\$ 2,341,784	0.2%
BHT Supplemental	\$ 16,858,080	1.6%
Maternity Supplemental	\$ 20,818,197	2.0%
Prop 56 Directed Payments	\$ 28,790,663	2.8%
MCO Premium Tax	\$ 89,475,539	8.6%
	\$ 1,039,696,673	



Medical Expenses

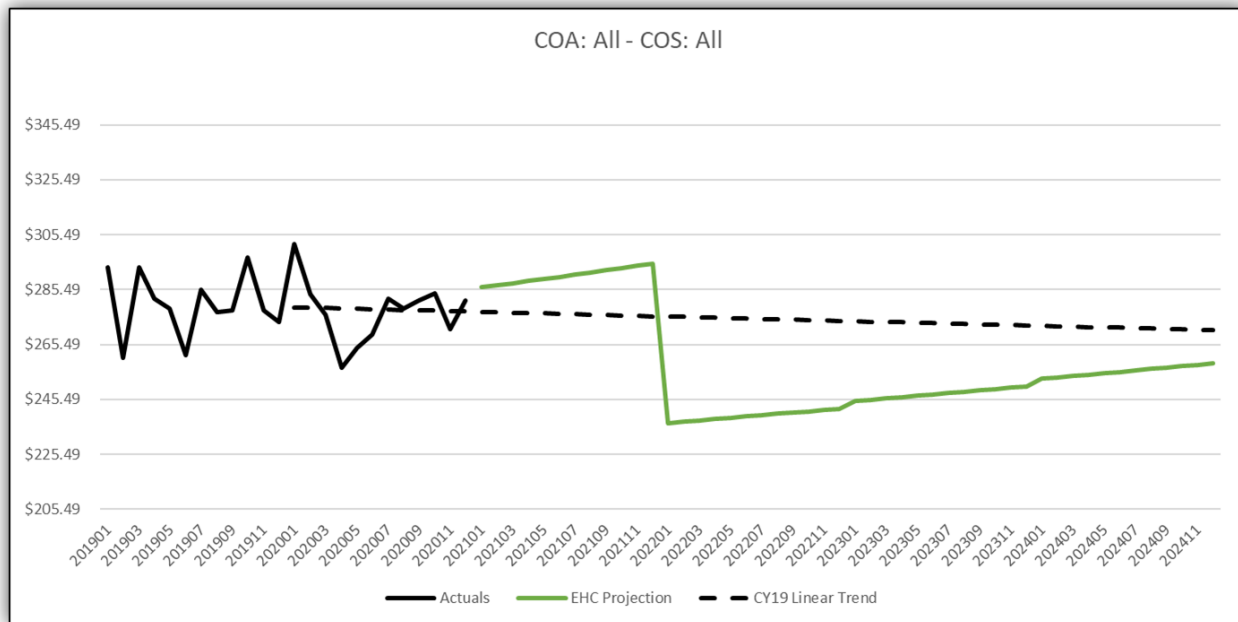
The medical expense budget is \$874,738,490. The fee for service medical expenses are developed by calculating pmpm costs for CY 2019 by AID category and provider type, and then incorporating anticipated changes as a result of membership, utilization patterns, market trends and changes in provider reimbursement rates forecasted to occur during the budget year.

The major assumptions impacting projected medical expenses are as follows:

- Medical expense increase to incorporate changes in unit costs or utilization consistent with the methodology utilized by the Department of Health Care Services (DHCS) which is between 2-4% depending on the category of service.
- There were no major contracting changes projected to increase fee for service costs from the base period.
- An assumed increase of 3.9% for LTC/SNF expenses associated with annual increases based on State established facility rates.
- Removal of the 10% increase to LTC facility rates at the end of the public health emergency.
- A projected increase of ~5.8% in pharmacy expenses associated with drug unit cost trends and utilization factors for July 1, 2021 to December 31, 2021. The carve-out of the pharmacy benefit is budgeted to occur 1/1/2022 with reduction of pharmacy expenses
- Medical expense related to Proposition 56 funding was included in the budget, consistent with the May Revise.
- Capitation expense reflects current capitated agreements.

Note: Care management expenses are outlined in the General and Administrative budget.

The graph below represents the fee for service medical expense trend from 2019 and projected forward through 2024.



FY 2021-22 MEDICAL EXPENSE BUDGET

	FY 2020-21 as of March 2021 PMPM	Projected Jul - Dec 2021 PMPM	Projected Jan - Jun 2022 PMPM	FY 2021-22 PMPM	% Change	Projected Dollars
Capitation - PCP Expense	\$ 34.17	\$ 36.57	\$ 34.03	\$ 35.33	3%	\$ 99,203,619
<u>Fee For Service</u>						
Inpatient FFS Expense	\$ 66.45	\$ 66.35	\$ 73.87	\$ 70.02	5%	\$193,309,969
Outpatient FFS Expense	23.44	26.24	29.46	27.81	19%	76,779,169
LTC/SNF Expense	56.72	55.41	54.08	54.76	-3%	151,185,196
ER Facility Services FFS	9.06	13.45	14.29	13.86	53%	38,273,865
Physician Specialty Services FFS	25.58	27.11	27.14	27.12	6%	74,878,141
Transportation FFS	1.47	0.81	0.83	0.82	-44%	2,268,988
Primary Care Physician FFS	7.04	7.47	7.48	7.47	6%	20,631,465
Mental and Behavioral Health	11.98	11.03	11.12	11.07	-8%	30,569,722
Pharmacy Expense FFS	62.67	65.14	-	33.36	-47%	92,104,164
Other Medical Professional	1.47	1.79	1.85	1.82	24%	5,021,692
Home & Community Based Svcs	9.35	9.91	10.44	10.17	9%	28,076,269
Laboratory and Radiology Expense	3.28	2.35	2.06	2.21	-33%	6,094,824
Other Medical Care Expenses	3.77	4.06	4.27	4.16	10%	11,483,512
Directed Payments	10.47	11.01	9.85	10.45	0%	28,844,065
Provider Reserve	0.50	-	-	-	-100%	-
Sub-total	\$ 293.25	\$ 302.13	\$ 246.75	\$ 275.12	-6%	\$759,521,041
Reinsurance-Net	\$ 1.30	\$ 1.35	\$ 1.35	\$ 1.35	4%	\$ 3,726,997
Refunds & Recoveries	\$ (1.81)	\$ (1.56)	\$ (0.77)	\$ (1.17)	-35%	\$ (3,242,210)
Care Management	\$ 6.03	\$ 5.50	\$ 5.76	\$ 5.62	-7%	\$ 15,529,043
Total Medical Expenses	\$ 332.94	\$ 344.00	\$ 287.12	\$ 316.25	-5%	\$874,738,491
MLR	93.1%	92.7%	90.5%	91.7%	-1.4%	

The pmpm variances from YTD actual noted above are primarily due to expected increases in utilization as public health emergency ends, case mix changes offset by the carve-out of the pharmacy benefit assumed for 1/1/2022. A chart outlining the pmpm medical expenses by AID category is on the following page.

Total estimated medical expenses for the fiscal year are \$874,738,491.

FY 2021-22 MEDICAL EXPENSE BUDGET								
PMPM COST BY AID CATEGORY								
	Child	Adult	Adult Expansion	SPD	SPD Dual	LTC	LTC Dual	
Capitation - PCP Expense	\$ 17.55	\$ 63.99	\$ 53.50	\$ 64.49	\$ 4.79	\$ 5.14	\$ 4.72	
Fee For Service								
Inpatient FFS Expense	\$ 6.64	\$ 118.96	\$ 119.86	\$ 248.54	\$ 22.77	\$ 669.20	\$ 70.51	
Outpatient FFS Expense	4.74	46.13	41.08	101.19	21.55	197.59	16.29	
LTC/SNF Expense	0.48	8.36	24.98	147.46	103.40	6,338.37	9,161.79	
ER Facility Services FFS	10.69	17.52	18.34	27.80	2.07	14.22	0.98	
Physician Specialty Services FFS	5.22	43.87	41.92	84.43	20.82	179.78	13.82	
Transportation FFS	0.33	0.79	1.31	3.64	0.10	12.53	0.48	
Primary Care Physician FFS	6.46	9.34	7.30	18.78	4.71	8.83	0.61	
Mental and Behavioral Health	10.98	6.62	6.84	78.66	1.41	2.88	0.81	
Pharmacy Expense FFS	5.65	45.86	58.77	140.55	2.74	130.86	-	
Other Medical Professional	0.47	1.68	3.03	5.37	2.14	3.88	1.17	
Home & Community Based Svcs	0.03	1.86	3.50	46.32	58.77	380.08	255.31	
Laboratory and Radiology Expense	0.69	4.49	3.46	4.76	0.18	3.11	0.06	
Other Medical Care Expenses	0.72	3.02	3.45	24.91	11.29	71.04	42.02	
Prop 56 / GEMT	7.90	19.44	11.91	19.13	0.02	19.46	0.02	
Sub-total	\$ 61.00	\$ 327.95	\$ 345.76	\$ 951.55	\$ 251.96	\$ 8,031.82	\$ 9,563.87	
Reinsurance-Net	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	
Refunds & Recoveries	\$ (1.28)	\$ (1.04)	\$ (1.07)	\$ (1.25)	\$ (1.19)	\$ (0.99)	\$ (1.62)	
Care Management	\$ 5.62	\$ 5.62	\$ 5.62	\$ 5.62	\$ 5.62	\$ 5.62	\$ 5.62	
Total PMPM Medical Expenses	\$ 84.24	\$ 397.87	\$ 405.16	\$ 1,021.76	\$ 262.54	\$ 8,042.95	\$ 9,573.94	

General and Administrative Expenses

The FY 2021-22 general and administrative budget is \$62,421,728. This is 6.5% of estimated revenue and ~9 million less than the amount allocated in the capitation rates for administrative expenses which is a total of \$71,503,465.

The budget was developed at a department level and is based on a review of FY 2020-21 actual expenditures with changes based on certain assumptions and expectations for FY 2021-22. Staff was diligent in the administrative review and strove to balance the Solvency Action Plan and realistic expectations around essential budget needs for operations and projects. The administrative budget, including care management expense, has increased by \$7.4 million and 13% from the FY 2020-21.

The following table outlines general and administrative budget and includes a comparison to the initial budget (adopted in July 2020) for FY 2020-21, as well as a projection on the actual expenditures to be incurred during the current FY 2020-21.

There is some necessary growth in staffing to support the projects, operations, and the strategic plan. Costs related to personnel are included within the associated departments and are not

included in the project portfolio budget. The administrative expense expressed as a percent of revenue has decreased from the prior year due to increase in revenue associated with more favorable rates from DHCS. The Department of Health Care services has indicated funding for administrative expense as a percent of revenue will increase effective January 1, 2022 due to the pharmacy carve out.

FY 2021-22 GENERAL AND ADMINISTRATIVE EXPENSES					
	FY 2020-21	FY 2020-21	FY 2021-22	Change	Percent
	Projected	Budget	Budget	Budget to	Change
	Actual	Budget	Budget	Budget	Change
Salary Expense	\$ 19,018,837	\$ 19,984,614	\$ 21,882,765	\$ 1,898,151	9%
Temp Labor	98,196	239,000	214,100	(24,900)	-10%
Taxes and Benefits	5,641,721	6,156,095	6,970,751	814,657	13%
Training, Conference, and Travel	18,490	177,570	369,699	192,129	108%
Outside Services - Conduent	19,073,944	19,207,066	19,719,860	512,795	3%
Outside Services - PBM Admin	2,082,234	1,147,065	1,221,322	74,257	6%
Outside Services - Other	3,779,830	4,218,162	6,420,877	2,202,714	52%
Accounting & Actuarial Services	116,815	175,000	165,000	(10,000)	-6%
Legal	2,422,696	1,500,000	1,150,000	(350,000)	-23%
Consulting Services	1,782,964	1,269,000	1,960,000	691,000	54%
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Employee Recruitment	295,809	120,000	300,000	180,000	150%
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Depreciation & Amortization	508,163	443,387	407,739	(35,648)	-8%
Non-Capital - Furniture & Equipment	38,171	264,000	181,700	(82,300)	-31%
Office & Operating Supplies	35,018	160,716	187,920	27,204	17%
Shipping & Postage	99,178	213,460	308,890	95,430	45%
Printing	328,159	566,300	810,600	244,300	43%
Software Licenses	3,184,811	4,236,150	5,094,380	858,230	20%
Repairs & Maintenance	106,955	154,043	204,875	50,832	33%
Telephone/Internet	131,550	284,276	245,700	(38,576)	-14%
Advertising and promotion	108,663	225,500	393,900	168,400	75%
Insurance	655,694	600,000	850,000	250,000	42%
Interest	109,250	270,000	270,000	-	0%
Professional dues, fees, and licenses	234,250	242,863	237,767	(5,096)	-2%
Subscriptions and publications	17,390	22,878	27,288	4,410	19%
Bank Service Fees	7,536	18,000	9,000	(9,000)	-50%
Other miscellaneous	59,423	150,000	75,000	(75,000)	-50%
Care Management	(15,232,119)	(14,482,056)	(15,529,043)	(1,046,987)	7%
Total General and Administrative	\$ 46,233,593	\$ 49,455,853	\$ 56,090,086 *	\$ 6,634,233	13%
% Admin to Revenue	5.1%	6.5%	5.9%		
Enterprise Project Portfolio	\$ 2,728,099	\$ 5,474,986	\$ 6,331,642	\$ 856,656	16%
Total G&A (including Projects)	\$ 48,961,692	\$ 54,930,839	\$ 62,421,728	\$ 7,490,889	14%
% to Revenue	5.4%	7.3%	6.5%		

* Approximately 60% of budget contractually obligated amounts (Conduent, PBM fees, Software Licenses, etc.)

The major assumptions and changes in the general and administrative budget are as follows:

Salary Expense

Salary expense includes the reinstatement of a 3% merit increase pool effective August 2021 and equity adjustments resulting from a commission-approved compensation analysis offset by a 6% vacancy factor.

Also, impacting the salary expense are the addition of new positions. The table below represents budgeted positions by department in comparison with the FY 2020-21 budget.

Position Summary					
	May-21	Budget	Budget		
Department	Filled	FY 2020-21	FY 2021-22	Change	
Executive	8	8.0	9.0	1.0	
Finance	7	7.0	7.0	-	
Procurement	3	3.0	3.0	-	
Decision Support Services	7	8.0	9.0	1.0	
Infrastructure	5	5.0	5.0	-	
Solution Services	8	14.0	16.0	2.0	
Project Management Organization	1	2.0	4.0	2.0	
Information Technology	4	3.0	5.0	2.0	
Operations	2	1.0	1.0	-	
Grievance and Appeals	5	5.0	7.0	2.0	
Operations Support Services	5	6.0	4.0	(2.0)	
Member Services	5	5.0	5.0	-	
Network Operations	10	12.0	11.0	(1.0)	
Quality	9.5	9.5	10.0	0.5	
Government Relations	3	4.0	5.0	1.0	
Health Education	5	6.0	6.0	-	
Pharmacy	2.5	2.5	2.5	-	
Communications	2	2.0	2.0	-	
Claims	6	5.0	6.0	1.0	
Health Services	5	5.0	6.0	1.0	
Utilization Management	39.5	42.5	44.5	2.0	
Care Management	30	31.0	38.0	7.0	
Population Health	2	4.0	4.0	-	
Compliance	9	11.0	13.0	2.0	
Human Resources	6	6.0	6.0	-	
Facilities	3	3.0	3.0	-	
Interoperability				-	
	<u>192.5</u>	<u>210.5</u>	<u>232.0</u>	<u>21.5</u>	
Assumed Filled (6% Vacancy)		198	218		

There are 22 new positions added which align with 1) the new CalAIM ECM benefit implementation and support Knox-Keene Licensure; 2) GCHP strategic and/or solvency action plans; or 3) support regulatory/compliance needs.

CalAIM (9)

- Manager, Care Management
- Care Management Coordinator (2)
- Case/Care Management, Social Worker (2)
- RN, Case/Care Management (2)
- Clinical Operations Assistant I
- Regulatory Affairs Analyst

Strategic Plan / Solvency Action Plan (10.5)

- Compliance Auditor (2)
- Claims Analyst II
- Community Relations Specialist
- Quality Improvement (QI) Specialist (.5) move from part-time to full-time
- Manager, Enterprise Portfolio PMO
- API Developer
- EDI Developer II
- EDI Analyst Senior
- Manager, EDI
- Manager, Population Health & Equity

Regulatory Compliance (2)

- RN, Utilization Management (2)

Taxes and Benefits

The estimated expense was revised based on more current costs and anticipated changes in rates for employee benefits expected for calendar year 2022.

Training, Conference, and Travel

The budget was increased to reflect resuming travel after expiration of public health emergency and a modest training and conference budget to reflect investment in staff.

Outside Services – Conduent

The budget is pmpm based and increase is due to the increasing membership projected through 12/31/2021.

Outside Services – PBM fees

Costs are impacted by increasing membership due to the moratorium on Medi-Cal redeterminations through the end of the public health emergency (assumed 12/31/21).

Outside Services – Other

Increase primarily due to Conduent Fulfillment reimbursements that were not captured in prior year budget.

Legal

The reduction is due to a revised assessment of needs.

Consulting Services

Increases primarily due to increase in HMA consulting budget, Edrington Health Consulting budget due to new RDT related reporting requests and increase in IT consulting services (SharePoint, API Gateway, HIPAA Audit).

Employee Recruitment

The increase is based on analysis of historical recruitment costs trends and the expectation of increased employee recruitment needs for FY2021-22.

Shipping & Postage / Printing

Increase in estimated printing and postage costs associated with the need for additional provider and member communications and budgeted for printing/postage of 2 EOC/Member Handbook mailings expected to be required in FY21-22 (July 2021 and April 2022).

Software Licenses

Increases in software licenses primarily for Optum APR-DRG for Operations, Edifecs for Interoperability, Gartner and Pilotfish.

Insurance

Increase in business insurance budget due to “hard market”. Our broker is projecting many of the categories of insurance to increase between 20-40% especially cyber-security insurance

Care Management

The increase in the care management increase to MLR is due to a projected increase in qualified expenses in particular, health information technology.

FY 2020-21 Enterprise Project Portfolio (EPP)

The FY 2021-22 Enterprise Project Portfolio comprises the projects identified through our project steering committee process as GCHP’s highest priorities in support of its strategic objectives.

Gold Coast Health Plan FY 2021-22 Project Portfolio				
FY 2020-21 Carryover				
Project	Description	Strategic Plan Objective	FY 2021-22 Expense	FY 2021-22 Capital
CMS Interoperability	CMS Interoperability and Patient Access Final Rule is a mandate for payers effective January 1, 2021. The goal is to provide member's access to health data and support member choice.	Healthcare Leader Responsible Fiscal Steward	\$ 1,236,078	\$ -
Enterprise Data Warehouse	Strategic technology investment in data warehouse architecture, tools and resources to effectively support the provision, management, proliferation, and use of data for improved decision making, business process improvement, and faster response to regulatory conditions.	Healthcare Leader	643,900	\$ -
Provider Credentialing, Contracting & Data Management (PCCM)	Implementation of an integrated system for the management of provider credentialing, contracting and data. Mission critical initiative to ensure that GCHP continues to meet ongoing and increasing regulatory requirements around provider data accuracy, support contracting efforts, and optimize business processes.	Strategic Business Partner	528,080	\$ -
Manifest MedEx	Effort to support the Ventura County Health Improvement Exchange (HIE) and improve population health management. HEDIS/MCAS EMR integration project to establish EMR integration with 4 major clinical systems to support Quality Improvement initiatives	Healthcare Leader Quality Health Outcomes	382,500	
Enterprise Transformation Projects (ETP)	Initiative to convert to a new core administrative platform - Health Solutions Plus (HSP) for claims processing, eligibility, membership and benefit maintenance, along with implementation of a new customer service system solution to optimize call center efficiencies.	Future Demands of Providing Quality Care	200,500	
IT Infrastructure- Maintenance & Business Continuity Projects	Additional infrastructure hardware investments and installations to add business continuity capabilities.	Future Demands of Providing Quality Care	258,538	\$ 927,100
Staff Augmentation (All Projects)			700,000	
FY 2020-21 Carry-over Initiatives			\$ 3,949,596	\$ 927,100
New Initiatives				
Portal Capabilities	Investment to provide a consistent and more robust provider portal experience for enhanced provider engagement and GCHP improved business process effectiveness/efficiencies	Strategic Business Partner	960,500	
CalAIM	A multi-year DHCS mandated initiative to reform the Medi-Cal program to improve the quality of life and health outcomes of Medi-Cal members. The program will implement broad delivery system, program and payment reform across the Medi-Cal system, building upon the successful outcomes of various pilots. Year 1 project budget to include: -ECM/ILOS Benefit implementation -Population Health Registry -Knox-Keene Implementation (Application/License Fee) -NCQA Accreditation analysis -D-SNP / PBM RFP consultant	Collaborative Community Partner	475,630	
MHK Med Therapy Mgmt (MTM)	Implementation of a MHK module that is CMS compliant for Part D MTM's program	Quality Health Outcomes	259,167	
MHK Medical Management System Upgrade	Needed System upgrade from v3.5E to v3.9. GCHP is currently on MedHOK version 3.5.6, per contractual terms GCHP needs to be within 2 versions of the latest code.	Quality Health Outcomes	204,750	
Other- Misc. Business Process Improvement / Strategic Plan initiatives	<i>Misc. Business Process Improvement Projects < \$100K each:</i> - Prospective RDT Reporting - Provider Pay for Performance Incentive Program (consulting only) -274 Business Process Improvement (automation/stabilization/decision audit log)	Responsible Fiscal Steward Strategic Business Partner	152,500	
Encounter Data Mgmt Program Assessment	Temp Labor for assistance in performing gap analysis and development of a process improvement roadmap.	Healthcare Leader	126,000	
Fix Existing Project Web PWA	Portfolio & Project Mgmt Implementation	Future Demands of Providing Quality Care	118,000	
New Initiatives			\$ 2,296,547	\$ -
Depreciation & Amortization Expense			\$ 85,500	
Total Project Cost			\$ 6,331,642	\$ 927,100

Capital Budget

The total budget for capital expenditures, including those included in the project portfolio, are \$1,010,650. Of that amount, \$927,100 is related to the Enterprise Project Portfolio.

GOLD COAST HEALTH PLAN FY 2021-22 OPERATING BUDGET			
	Jul 1- Dec 31 2021	Jan 1- Jun 30 2022*	TOTAL
Program Revenue	\$ 567,622,662	\$ 472,074,012	\$ 1,039,696,673
MCO Tax Expense	\$ (43,131,600)	\$ (43,131,600)	\$ (86,263,200)
Net Revenue	\$ 524,491,062	\$ 428,942,412	\$ 953,433,473
Medical Expenses	\$ 486,370,870	\$ 388,367,621	\$ 874,738,491
MLR	92.7%	90.5%	91.7%
Gross Margin	\$ 38,120,191	\$ 40,574,791	\$ 78,694,982
General & Administrative Expenses	\$ 29,194,175	\$ 26,895,911	\$ 56,090,086
Project Portfolio	\$ 4,254,146	\$ 2,077,496	\$ 6,331,642
Admin %	6.4%	6.8%	6.5%
Interest Income	\$ 180,000	\$ 180,000	\$ 360,000
Net Gain	\$ 4,851,870	\$ 11,781,385	\$ 16,633,255

* Assumes pharmacy carve-out effective 1/1/22.

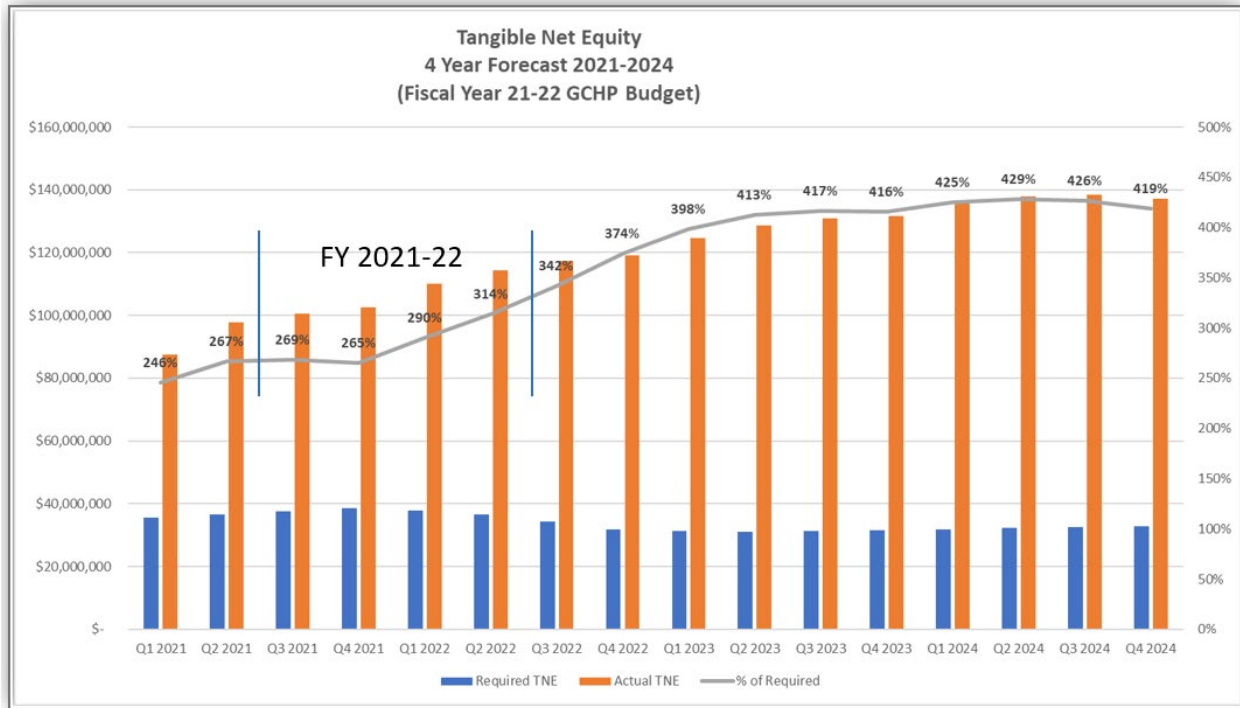
GOLD COAST HEALTH PLAN FY 2021-22 CAPITAL BUDGET		
Asset Category	Description	Amount (\$)
Leasehold Improvements	Cubicle Configuration Changes	\$ 50,000
Leasehold Improvements	Door hardware and security equipment	5,500
Leasehold Improvements	Building upgrades	28,050
Computer Systems & Software	Office Phone System Refresh	60,000
Computer Systems & Software	IT Infrastructure Wireless Network Refresh	41,000
Computer Systems & Software	IT Infrastructure Storage Access Network Refresh	260,000
Computer Systems & Software	IT Infrastructure BC Implementation -Network	198,600
Computer Systems & Software	IT Infrastructure Backup Power Supply Refresh	100,000
Computer Systems & Software	Data Environment Refresh	267,500
		\$ 1,010,650

Projected Tangible Net Equity (TNE)

The TNE is projected to be at \$114.5 million or 314% of the State required amount at 6/30/2022.

The FY 2021-22 Tangible Net Equity (TNE) forecast incorporates the financial implications of the proposed budget. The forecast beyond FY 2021-22 assumes modest growth the revenue and medical expense trend factors consistent with the methodology utilized by the State.

This indicates that we will achieve ~314% of TNE by June 30, 2022.



APPENDIX – CONTRACT RENEWALS IN FY 2021-22

Vendor	Description	Contract Type	SOW/SO No.	PO #.	Contract Start	Contract Expiration Date	Actual Spend as of 03/18/21	Estimated Remaining Cost Until Expiration	Estimated Annual Cos	Renewal Strategy	Renewal Projected Co	Projected Cumulative Cost (As of 3/18/21)	Renewal End Date
3M Health Information	Groupware software and inpatient pricing tables	License & Service Agreement		118	11/1/2018	10/31/2021	\$160,070.00	\$0.00	\$50,000.00	Renew for 1 year	\$50,000.00	\$210,070.00	10/31/2022
Adecco USA, Inc.	Temporary Labor Agreement	SOW	1	Multiple	1/22/2018	1/31/2022	\$935,495.00	\$0.00	\$295,419.47	Renew for 1 year	\$295,419.47	\$1,230,914.47	1/31/2023
Allegis Grp Hold, Inc. dba Teksystems, Inc.	Temporary Labor Agreement	SOW	1	Multiple	1/23/2018	1/31/2022	\$1,100,885.00	\$0.00	\$347,647.89	Renew for 1 year	\$347,647.89	\$1,448,532.89	1/31/2023
Axcient Holdings, LLC	Fusion access & retention	Order Form and Master Subscription Agreement		379	5/1/2020	4/30/2022	\$36,977.00	\$57,512.00	\$49,296.00	Renew for 1 year	\$49,296.00	\$143,785.00	4/30/2023
CIO Solutions	Infrastructure maintenance and support	Service Order	1	16036	11/1/2016	10/31/2021	\$346,900.00	\$52,000.00	\$78,000.00	Renew for 1 year	\$78,000.00	\$476,900.00	10/31/2022
Coffey Communications Inc.	Member newsletter services	Service Order	8	17011	1/1/2017	12/31/2021	\$615,235.00	\$247,100.00	\$200,000.00	Renew for 12 months and concurrently look at a print	\$200,000.00	\$1,062,335.00	12/31/2022
Crossroads Staffing Services	Temporary Labor Agreement	SOW	1	Multiple	1/23/2018	1/31/2022	\$417,473.00	\$0.00	\$131,833.58	Renew for 1 year	\$131,833.58	\$549,306.58	1/31/2023
DR Management Services LLC	ETP Consulting Services	SOW	2	214	6/3/2019	5/31/2021	\$850,679.00	\$147,121.00	\$480,000.00	Renew for 4 months	\$10,000.00	\$1,007,800.00	9/30/2021
Edelstein, Gibson, Robson, Smith	Legislative advocacy services	Consulting Services Agreement			10/9/2012	10/8/2021	\$ 518,365.00	\$ 25,300.00	\$ 65,000.00	Renew for 36 months.	\$195,000.00	\$738,665.00	10/8/2024
Edifecs, Inc.	Edifecs CORE hosted software	Master License & Service Agreement		43	6/22/2015	6/21/2021	\$585,568.00	\$0.00	\$108,100.00	Renew for 1 year	\$108,100.00	\$693,668.00	6/21/2022
Edifecs, Inc.	Edifecs Cloud Member Access Service for CMS Interoperability	Master License & Service Agreement			7/1/2021	6/30/2022	\$0.00	\$152,000.00	\$117,000.00	Renew for 2 years	\$234,000.00	\$386,000.00	6/30/2024
Edrington Health Consulting, LLC	Actuarial & RDT consulting services	SOW	3	354	1/1/2020	12/31/2021	\$305,405.00	\$337,232.00	\$400,000.00	Renew for 24 months	\$800,000.00	\$1,442,637.00	12/31/2023
Emagined Security, Inc.	Security risk assessments & CISO on demand	Service Order	6	122	10/18/2018	6/30/2021	\$79,531.00	\$153,469.00	\$100,000.00	Renew for 1 year without adding additional funding.	\$0.00	\$233,000.00	6/30/2021
Gartner	Professionals and Executive programs leadership subscriptions	Subscription Agreement		115 & 372	12/1/2018	4/30/2022	\$390,217.00	\$125,000.00	\$191,000.00	Renew for 1 year	\$191,000.00	\$706,217.00	4/30/2023
Health Management Associates Inc.	Interim CEO & IT consulting services	SO	7	314	11/9/2019	1/31/2022	\$1,660,031.00	\$1,233,117.00	\$900,000.00	Renew through 6/30/22	\$375,000.00	\$3,268,148.00	6/30/2022
Health Management Systems, Inc.	HEDIS gap services	Service Order	2	229	7/1/2019	6/30/2021	\$477,511.00	\$130,477.00	\$150,000.00	Renew for 24 months or use dollars as a go to market	\$300,000.00	\$907,988.00	6/30/2023
Infomedia Group dba Carenet Healthcare Services	RN advice line	SOW	1	348	3/1/2020	5/31/2022	\$100,254.00	\$126,000.00	\$100,800.00	Renew for 36 months	\$302,400.00	\$528,654.00	5/31/2025
Inovalon, Inc.	HEDIS reporting	SOW	2,4 & 5	61, 264, 26	7/1/2019	6/30/2022	\$2,509,390.00	\$750,000.00	\$1,085,000.00	Renew for 36 months or use dollars as a go to market	\$3,255,000.00	\$6,514,390.00	6/30/2025
Insight Direct USA	Adobe software subscription	Software License Agreement		154& 459	12/16/2018	12/15/2021	\$58,391.00	\$0.00	\$40,000.00	Renew for 3 year	\$120,000.00	\$178,391.00	12/15/2024
Insight Public Sector	Microsoft Enterprise License	Microsoft ELA		Multiple	1/1/2019	1/31/2021	\$908,876.00	\$0.00	\$403,000.00	Renew for 3 years	\$1,209,000.00	\$2,117,876.00	1/31/2024
Jason Kim	Supports - IT data base administration work	Consulting Services Agreement	1	16040	8/19/2013	6/30/2021	\$438,400.00	\$188,155.00	\$72,000.00	Renew for 1 year	\$72,000.00	\$698,555.00	6/30/2022
Moss Adams	Financial audit services	Service Order	7&9	342	11/1/2019	10/31/2021	\$414,890.00	\$168,350.00	\$155,000.00	Renew for 12 months.	\$155,000.00	\$738,240.00	10/31/2022
Multiview Corporation	SaaS license	Subscription Agreement		383	7/1/2020	6/30/2022	\$46,435.00	\$40,435.00	\$52,000.00	Renew for 1 year	\$52,000.00	\$138,870.00	6/30/2023
Omnicdata	Cloud Service Provider Services	SOW	5	503	5/1/2021	4/30/2022	\$0.00	\$42,000.00	\$42,000.00	Renew for 2 years	\$84,000.00	\$126,000.00	4/30/2024
Practice Management Info Corp. (PMIC)	Medical coding data files	License Agreement		421	8/7/2020	8/6/2021	\$ 53,352.00	\$ -	\$ 56,000.00	Renew for 24 months	\$112,000.00	\$165,352.00	8/6/2023
Quest Analytics	Data verification and attestation accuracy services	Software License Agreement		145	12/17/2018	12/16/2021	\$240,000.00	\$0.00	\$85,600.00	Renew for 1 year	\$85,600.00	\$325,600.00	12/16/2022
SAI Global	Compliance 360 software	Solutions Agreement		17013	11/15/2016	11/14/2021	\$ 103,614.00	\$ -	\$ 36,000.00	Renew for 36 months.	\$108,000.00	\$211,614.00	11/14/2024
Solera Health, Inc.	DPP program	Master Services Agreement		162	1/1/2019	12/31/2021	\$99,000.00	\$0.00	\$33,000.00	Renew for 36 months or use dollars as a go to market strategy	\$99,000.00	\$198,000.00	12/31/2024
SPH	Provider surveys	SOW 4,5&7	18, 259, 463	463	9/10/2020	6/30/2021	\$51,274.00	\$3,718.00	\$27,000.00	Renew for 36 months.	\$81,000.00	\$135,992.00	6/30/2024
Tevora Business Solutions, Inc.	OKTA software & support	Software License Agreement		127	10/29/2018	10/28/2021	\$49,650.00	\$0.00	\$60,651.00	Renew for 1 year	\$60,651.00	\$110,301.00	10/28/2022
Wells Fargo Financial Leasing Inc.	Multifunctional device lease - 8 Ricoh MPC 6004 printers	Lease		19 & 400	7/1/2018	6/30/2022	\$112,816.00	\$36,368.00	\$29,253.00	Renew for 1 year	\$29,253.00	\$178,437.00	6/30/2023
Xpedite Systems (Easylink) OpenText	Fax-messaging services	Customer Service Agreement		15198	6/1/2015	5/31/2022	\$175,634.00	\$58,500.00	\$45,000.00	Renew for 1 year	\$45,000.00	\$279,134.00	5/31/2023